

Israel anxiously monitoring possible U.S. cuts

Israeli officials and American Jewish lobbyists in Washington, wary of possible cuts in this year's economic and military aid package to Israel, are anxiously monitoring President Reagan's budget-cutting negotiations with Congress.

If those talks should collapse without an agreement, the mandatory "sequestering" provisions of the Gramm-Rudman law will have to be imposed.

The Congressional Budget Office (CBO) has calculated that Israel would stand to lose \$146 million of its pending \$3 billion economic and

military aid package if that kind of across-the-board budget cut is executed. The Administration's Office of Management and Budget (OMB) has come up with a potential \$140 million loss for Israel.

"Sequestering," an Israeli Embassy official said yesterday "would force Israel to take its lumps together with everybody else."

The delicacy of the situation was reflected in a flurry of attacks and counter-attacks among high-ranking officials in Jerusalem. Prime Minister Yitzhak Shamir said yesterday that Israelis who could not or would

Compiled from reports by WOLF BLITZER, ASHER WALLFISH, AVI TEMKIN and BENNY MORRIS.

not keep mum about the stock exchange slump in the United States were "ignorant, ridiculous, coarse, unethical and harming Israel's national interests."

Shamir used this uncharacteristically blistering language in the Knesset Foreign Affairs and Defense Committee to describe the authors of comments about the Wall

Street tremors, and their implications for the two countries and their relationship.

The premier's broadside reinforced the message which emerged from this week's cabinet session, when he and Finance Minister Moshe Nissim urged their colleagues and everyone else to "hold their tongues," with a very plain hint that the U.S. administration had urged Jerusalem to skirt the subject.

Nevertheless, Foreign Minister Peres said yesterday that Israel has "a written commitment from the

American government that aid to Israel will not be cut in the next two years. This is part of the summary from the Lavi project's cancellation," he said. Peres made his comments during a visit to Binyamina.

Peres even gave advice to the Americans. He said that the major problem was not the collapse in share prices, but the general state of the U.S. economy. If the Americans do not take "real measures" soon, what seems like a temporary illness will turn into a serious disease. "We have faced a similar situation," (Continued on Page 9)

Soviets may be ready to set date for summit

By BENNY MORRIS
Post Diplomatic Correspondent and Agencies

WASHINGTON. — Soviet Foreign Minister Eduard Shevardnadze will visit Washington on Friday to resume arms control talks, U.S. sources said yesterday.

Shevardnadze asked for the Washington talks during a meeting in Moscow earlier yesterday with U.S. Ambassador Jack Matlock, amid speculation that Moscow had changed its mind and was now prepared to set a date for a superpower summit.

A formal announcement of the Shevardnadze trip is expected to be made in both capitals today, a U.S. source said. The trip comes a week after a visit to Moscow by Secretary of State George Shultz.

In New York yesterday the deputy head of the Soviet Union's UN delegation, Alexander Belonogov, said that Moscow was willing to hold a superpower summit in Washington and that it could take place this year.

"Although at this stage there has not yet been final agreement on the date for the next summit meeting, the possibility of holding it this year still exists," Belonogov told a news conference.

In another development yesterday, sources in Jerusalem reported

that Shultz told Shevardnadze at their meeting in Moscow that more than 10,000 Jews will have left the Soviet Union by the end of the year and a larger number will be allowed out next year.

So far this year, some 8,000 Jews have left the Soviet Union.

On Sunday, U.S. Embassy officials briefed middle-level Foreign Ministry officials on the Shultz-Shevardnadze talks.

Shevardnadze reportedly promised Shultz that the number of Jewish emigrants would be "increased" next year, but he did not commit himself to any numbers. Shevardnadze repeated the Soviet formula that Moscow "would not prevent anyone who wants to leave the Soviet Union from leaving."

But Israeli sources explained that this was not tantamount to a commitment to allow out anyone who wished to leave, as the Soviets can be expected to bar exit to anyone who possesses "state secrets" and other groups of people.

The American officials promised to brief the Israelis later on the Shultz-Shevardnadze treatment of the Middle East situation and the state of the peace process.

The American officials also told their Israeli counterparts that Shultz got the impression that Soviet leader Mikhail Gorbachev is "interested" in a summit meeting with President Reagan and believes that such a meeting "is possible."

Diaspora leaders veto Lewinsky as WZO chief

By CHARLES HOFFMAN
Jerusalem Post Reporter

The Labour Party last night blasted World Zionist Organization Chairman Arye Dulzin for plotting with the Diaspora fund-raisers to blackball their candidate slated to be the next head of the WZO, Akiva Lewinsky.

In an unprecedented move that took the Labour Zionist Movement and its allies by surprise, the Diaspora fund-raising leaders in the Jewish Agency yesterday voted solidly to reject the candidates that had been selected by the Labour bloc for the posts of chairman and treasurer of the WZO/Agency. The fund-raisers, who run the agency together with the WZO, have what amounts to veto power over candidates for key agency posts.

The fund-raisers turned thumbs

down on Lewinsky for the post of chairman and on Avraham Avihai for the post of treasurer. Lewinsky is currently WZO treasurer and Avihai is chairman of Keren Hayesod. This is the first time in the 16-year partnership between the fund-raisers and the WZO that a candidate for chairman has been formally rejected.

Mendel Kaplan of South Africa is expected to be elected today as the new chairman of the agency board of governors. His candidacy was overwhelmingly approved last night by the WZO Executive, with only Rabbi Louis Bernstein of the Mizrahi opposed.

Likud politicians crowding over the defeat of the Labour candidates were pinning their hopes on Science Minister Gideon Patt. Likud sources said that Patt had decided to stand as the Likud candidate for WZO/Agency chairman, and that he would soon announce this formally.

Labour Zionist chairman Yehiel Leket last night harshly criticized Dulzin for pulling a "trick" on the Labour bloc in the WZO. Leket said that Dulzin had submitted the names of Labour's candidates to the fund-raisers for review in a meeting late Monday night, but that he was not authorized to do so.

Leket accused Dulzin of collaborating in a campaign against Lewinsky conducted by the outgoing chairman of the board of governors, Jerold Hoffberger. Leket said that the entire process by which Lewinsky and Avihai were reviewed



Akiva Lewinsky (Freidin)

(Continued on Back Page)



Defence Minister Yitzhak Rabin and American Ambassador Thomas Pickering, left, kitted up ready to board the U.S. aircraft carrier in Haifa yesterday. (Bemahane)

Paris favours access to UN war crime file

MICHEL ZLOTOWSKI
Jerusalem Post Correspondent

PARIS. — France will not oppose granting public access to the UN War Crimes Archives, it was announced here.

"We have decided in favour of the opening to the general public of the World War II archives in the possession of the United Nations," a Foreign Ministry spokesman told The Jerusalem Post yesterday. "We joined the consensus reached by the 17 members of the UN War Crimes Commission."

The spokesman said that the deci-

Author of controversial report may leave Arab affairs post

By DAVID RUDGE
and ELAINE RUTH FLETCHER

Amos Gilboa, the author of a controversial new policy proposal on Israel's minorities, is likely to leave his post in the Arab Affairs Office in December and return to his old job at Ma'ariv newspaper, well-informed sources said yesterday.

Meanwhile, a wave of anger and bitterness is sweeping the Israeli Arab community in the wake of the report by Gilboa, who is senior aide to the deputy minister in charge of Arab Affairs, Roni Milo.

Labour Party ministers are also expected to counter the Gilboa report with their own plan if the document is brought before the cabinet by Prime Minister Shamir.

But even before the storm over the report (see page 4), Gilboa reportedly had been thinking of leaving his post following Moshe Arens' resignation from the office in September. Gilboa's contract with the government expires in December, and Ma'ariv is preparing for his return at that time, sources said.

(Continued on Page 2, Col. 2)

Prisons chief bumped, police officer to replace him

By ANDY COURT

Northern District police commander Shaul Levy will replace Prisons Service Commissioner David Maimon, who is expected to leave his job in the coming weeks, police sources said yesterday.

Neither the Prisons Service nor the Police Ministry has officially confirmed Maimon's resignation or explained the reasons behind it.

"The moment that we have something to announce, we will announce it," said ministry spokesman Nahum Mendel.

If Maimon does resign, he will be the second commissioner to do so in the past 14 months. MK Mordechai Virshupski (Shinui) warned yesterday

that Maimon will not be the last commissioner to do so either, if the government does not appoint a commission of inquiry and take steps to strengthen the ailing service.

"If a thorough house-cleaning of the Prisons Service isn't done, the new commissioner will not be able to fulfil his duties, and he too will have to resign in a few months," said Virshupski, a member of the Knesset Interior Committee.

"The government of Israel has systematically ignored and is ignoring the Prisons Service as far as facilities, manpower, and the treatment of the guards are concerned," he added.

Maimon reportedly told Police

Minister Haim Bar-Lev earlier this week that he wished to resign from his position, which he assumed in December 1986. Maimon replaced Rafi Suissa, who resigned after a police comptroller's report charged him with improprieties.

Maimon was known as a tough military man who sought to counter his predecessor's comparatively lenient policies. He revoked certain privileges prisoners had enjoyed under Suissa, sparking an extended hunger strike by security prisoners.

But the Prisons Service under Maimon came under serious criticism when six terrorists escaped from the central prison in Gaza in May, and three terrorists escaped

from the maximum-security Nafsa Prison in the Negev in September.

A report on the Nafsa break-in revealed that prison guards were negligent in carrying out headcounts and that there was poor supervision of the prison in general. Security forces were reportedly furious that prison guards had misled them about when the prisoners were last seen in order to cover up the fact that they had not conducted a headcount.

Levy, 56, is a veteran police officer with a great deal of experience in investigation. Before taking charge of the northern district, he was commander of the Sharon police and of the Shomron district.



Shaul Levy (IFPA)

China takes a small step towards democracy

PEKING (Reuters). — China's Communist Party took a small step towards democracy yesterday by announcing that delegates to its congress would have a choice of candidates when they vote for a new line-up of leaders this week.

The congress presidium, led by acting party leader Zhao Ziyang, decided that candidates for full central committee membership would total at least five per cent more than the number of posts, the official New China news agency said.

"This is a first in the history of the Chinese Communist Party," one veteran Communist said.

According to the news agency, the 1,936 congress delegates would vote by secret ballot.

Science and Technology Minister

Song Jian, in a rare news conference, praised China's best-known dissident scientist for his research work and sought to reassure intellectuals they would not suffer the horrors of the cultural revolution again.

"We all agree that Professor Fang Lizhi is an accomplished astro-physicist... He still enjoys our full support whether he is a party member or not," Song said.

The outspoken Fang was expelled from the party last January, accused of inciting students who had launched nationwide demonstrations for democracy and freedom. He was also removed as vice-president of the Chinese science and technology university at Hefei in eastern China but is allowed to con-

tinue his research in Peking.

"Personally, I don't think Fang is by any means a social scientist, still less a Marxist. He is only an expert in astro-physics," Song said.

Asked if intellectuals would be safe in future from the extreme persecution many were subjected to during Chairman Mao Zedong's cultural revolution from 1966 to 1976, Song replied: "We have summed up the lessons of that period. I also suffered then. We are sure that what happened then will not recur."

The question was posed by the first Taiwanese journalist to ever cover a Communist Party congress, defying a ban by the Taipei government on travel to the mainland.

When Pi Jieping, an editor on a

magazine called World News Agency, arrived at the news conference he was mobbed by reporters and cameramen and officials had to call for order. (See story, Page 3).

The central committee is expected to meet the day after the congress ends to elect the party's politburo, or cabinet, and its powerful standing committee, at present a five-man body dominated by China's reformist leader Deng Xiaoping.

Deng's future, diplomats say, is the crucial question left unresolved so far. The 83-year-old leader has expressed his wish to leave the politburo standing committee but indicated he could remain head of the party's powerful central military commission.



Baby Tony — traded by his Chicago mother for \$50 worth of coke. (Story — page 3) (Reuters)

Newshungry Palestinians twiddle their dials in vain

By JOEL GREENBERG

As the Broadcasting Authority strike enters its fourth week, newshungry Palestinians in the West Bank are spinning their radio dials in an unsuccessful attempt to find an alternative source of Arabic news on events in Israel and the territories.

"There's a real lack of news on local events," said an East Jerusalem cab driver, who now spends his hours behind the wheel listening to Radio Jordan, Paris-based Radio Monte Carlo and other stations in the Arab world. Palestinians are also listening more to Arabic newscasts on the BBC and the Voice of America. (Security officials have voiced concern that Palestinians are now exposed solely to Arab and foreign broadcasts.)

Unlike Israelis, who have been reduced to listening to one Hebrew-

language station, Palestinians have a full range of Arabic stations to choose from. The stations broadcast international news and reports from the Arab world, but local news is limited.

Persons from various walks of life in the West Bank share the predicament created by the extended black-out of Israeli Radio's Arabic service, which is listened to widely in the territories. Palestinians regularly watch Israel Television's Arabic nightly news, and some watch the Hebrew newscast for more extensive coverage of events in Israel and the territories. The broadcast strike is a subject of conversation in the West Bank, and it is not uncommon for a visiting Israeli to be quizzed on it.

At the Dehaishe refugee camp this week, a resident emerging from

a night-long curfew and search by Israeli troops said the strike had left people in his community in the dark about local developments. A Nablus

The TV and radio blackout in Israel has not gone unnoticed in Jordan, where calls are being heard to expand broadcasts to Israel in Hebrew and English. The director of Jordan Television's Hebrew service, Harun Mahamid, speaking by phone to Israeli reporters in London, said last week that his department intends to double the length of its Hebrew-language broadcasts to meet the needs of Israeli viewers.

pharmacist said he sorely missed the Arabic radio news, which he normally listens to "five or six times a day."

In Beit Jallah, Mayor Farah al-

A'raj said that he listens to Radio Jordan, Monte Carlo and the VOA, but that none can provide the prompt, extensive and on-the-spot coverage of Israel Radio in Arabic.

"After 20 years, people have become attached to the broadcasts, and they miss them a great deal," he said. "The Arabic newspapers don't fill the gap, because only a certain number of copies arrive in every town, while radio and TV have a far wider reach."

The news drought is especially felt in the newsrooms of the East Jerusalem newspapers, who depend heavily on Israel Radio and Television broadcasts for local information. It is said that the most important man on the Palestinian newspapers' desks is the radio monitor, and the phrase "Israel Radio reported" in many Arab newspaper items is a

tried and tested way of getting by the censor. Now the papers are turning more to the Hebrew press, and quoting from Army Radio.

Palestinians complain that news from Jordan about the territories is incomplete, late and second-hand, and depends on news agency reports rather than on-the-scene coverage. They say the thin Jordanian coverage is even skimpier now because of the absence of a main information source: Israel Radio. Some Palestinians note that many Jordanian news items on the territories "tend to be limited to reports on Jordanian projects in the areas."

Israel Radio's Arabic broadcasts, while reflecting an Israeli perspective, remain relatively credible and accurate in comparison to other news sources, many Palestinians say.

Wall Street rally wipes out some losses

NEW YORK (Reuters). — Wall Street, buoyed by foreign markets and an IBM decision to buy back a billion dollars of its shares, rallied yesterday wiping out a third of its massive loss on Monday.

The key Dow Jones index of industrial stocks closed at 1,846, up 52 points after suffering a 156-point loss on its second consecutive "Black Monday."

President Reagan meanwhile called the stock market turmoil a warning of potential danger and the White House began talks with Congressional leaders on ways to cut the country's \$147 billion budget deficit.

Yesterday's market rally began with a 90-point surge that retreated to 26 before rebounding 52 points higher.

Advances edged declines by a small margin on the New York Stock Exchange, but secondary averages slumped. Volume reached 255 million shares on the big board in a shortened session that ended at 2 p.m., two hours early.

The rally drew strength from an upturn in Japanese and Hongkong markets.

IBM also gave a psychological lift to the market by announcing a one-billion-dollar stock buyback plan. IBM stock rose \$4 per share to \$116, a far cry from its \$175 high earlier this year when the stock exchange was at a high of 2,746 points.

Dozens of major companies have been buying their stock to take advantage of the sharp fall in prices. There have been hints that such purchases have been encouraged in official circles to show confidence in the market.

The market's recovery yesterday

was held down by a weaker dollar, higher interest rates on credit markets and intense worry that the 508-point debate of a week ago last Monday had caused irreparable damage to the economy and the outlook for stocks. "Some panic is starting to dissipate," said Chris Callies of Dean Witter Reynolds. "But the market is still quite treacherous."

The Financial Times-Stock Exchange Index of 100 leading shares was up 40 points at 3 p.m. at 1,734.1. The index had opened 46.6 points higher but shortly after noon it had sunk 7 points below Monday's close, before starting to rise again.

On Monday the FT-SE Index plunged 111.1 points.

Chancellor of the Exchequer Nigel Lawson, the top Treasury official, told the House of Commons yesterday afternoon that he will decide by Thursday whether to go ahead with the BP issue, the largest-ever offering of shares.

In Tokyo, shares gained 2.8 per cent and most European markets firmed. The recently battered Hongkong market jumped 7 per cent.

"Tokyo is now leading Wall Street," said one broker.

In Australia, Prime Minister Bob Hawke appealed for calm yesterday in the face of stock market turmoil, but his advice went unheeded.

Meanwhile on Wall Street Rothschild Holdings, a major Wall Street trader, reported that it was stung by a \$44m trading loss in this month's turbulent markets.

Analysts warned that this may be the precursor of similar announcements by other major Wall Street firms.

Tel Aviv market also rallies

By AVI TEMKIN

The Tel Aviv Stock Exchange rallied yesterday, recouping some of the losses of the last few days. Advances outnumbered declines almost three to one.

The general share index excluding bank shares rose by 1.72 per cent, closing at 117.22 points. Volume remained limited at some NIS 20 mil-

lion. Some individual shares rose by 5 per cent yesterday.

Observers said yesterday's rally followed large purchases by brokers who were attracted by low prices for some securities. The observers said the brokers were apparently expecting the public to invest in the market next week, after it gets over \$800m from the bank shares it has cashed,

Bank shares = NIS1.58 per \$

By AVI TEMKIN
Post Economic Reporter

Holders of "arrangement" bank shares who decided to cash them at the end of the month will get NIS1.5865 for each dollar's worth of shares in their possession. According to the conditions set by the Treasury, the money will be deposited in their accounts on October 30, according to the rate of exchange for the dollar set yesterday by the Bank of Israel.

At the end of last week the rate of exchange for the dollar was NIS1.5983, but it has since gone down as the dollar dropped in international markets. But holders of bank shares were fortunate. Just after the Bank of Israel set the dollar exchange rate the American currency started falling sharply in interna-

tional markets.

At the end of an active, nervous day in Europe, the dollar closed at DM1.7625, from the opening DM1.77, and at 141.45 yen, compared with 141.9 at the opening. It was the lowest dollar value in the last six-and-a-half years.

Frankfurt dealers said yesterday they thought the West German central bank might be ready to accept an orderly fall in the value of the dollar.

After European trading hours the dollar continued falling in New York, and there were reports that the Federal Reserve had stepped in and purchased dollars. At one point the dollar was trading at DM1.7590, but it later trimmed some of its early losses, reaching DM1.7590.

The weather at major Swissair destinations

27.10.87

	MIN.	MAX.	C F	W
AMSTERDAM	7	16	45 61	Cloudy
BRUSSELS	7	16	45 61	Cloudy
COLOGNE	7	16	45 61	Cloudy
FRANKFURT	7	16	45 61	Cloudy
GENOVA	11	15	52 59	Cloudy
LONDON	11	15	52 59	Cloudy
MADRID	11	15	52 59	Cloudy
MILAN	11	15	52 59	Cloudy
MONTREAL	4	20	39 68	Cloudy
NEW YORK	4	20	39 68	Cloudy
PARIS	7	16	45 61	Cloudy
ROME	11	15	52 59	Cloudy
SAN FRANCISCO	11	15	52 59	Cloudy
STOCKHOLM	11	15	52 59	Cloudy
TOKYO	11	15	52 59	Cloudy
TORONTO	4	20	39 68	Cloudy
ZURICH	11	15	52 59	Cloudy

For the latest weather conditions contact Swissair.

Swissair

THE WEATHER

Forecast: Partly cloudy in the morning, with heavy clouds and rain expected in the afternoon in the north and central parts of the country.

	Yesterday's	Yesterday's	Today's
	Temp	Wind	Temp
Jerusalem	46	12-20	19
Golan	40	9-20	18
Nahariya	40	15-24	23
Safed	36	10-18	16
Haifa Port	39	12-24	21
Tiberias	47	12-26	24
Nazareth	52	12-22	20
Afula	44	9-26	24
Sharon	42	10-22	20
Tel Aviv	51	15-24	23
B-G Airport	56	13-24	24
Jericho	43	12-27	26
Gaza	49	15-24	24
Beer Sheva	50	10-24	24
Silat	31	18-30	29

SOCIAL & PERSONAL

Menashe Amir, director of Persian broadcasts at Kol Yisrael, will speak today on "Khomeinism and the Security of Israel" at the weekly meeting of the Jerusalem Rotary Club at 1 p.m. at the YMCA.

Ya'acov Shimshon Shapira, the country's first attorney-general and a former director-general of the Justice Ministry, was inscribed in the Jewish National Fund's Golden Book at the initiative of the staff of the Justice Ministry on the occasion of his 85th birthday yesterday.

ARRIVALS

Shimon Kwestel, president of the Union of Orthodox Jewish Organizations of America, for meetings of the board of governors of the Jewish Agency.

DEPARTURES

World Wizo executive chairman Michael Mordai for Vienna, October 27, on a Wizo mission, and then to the U.S.A. and Canada on behalf of Israel boards.

MKs refuse Nissim's request to stall wage hike

BY AVI TEMKIN
Post Economics Reporter
The members of the Knesset Finance Committee yesterday displayed rare unity by flatly rejecting a request from Finance Minister Moshe Nissim to delay a 22 per cent wage hike for ministers, deputy ministers, MKs, Supreme Court justices and ministry director-generals. The angered MKs told Nissim they did not have the authority to stop such a hike, and that he should go to the House Committee with his request. Ministers, MKs and other senior figures get twice-yearly wage adjustments equivalent to the rise in the average wage in the economy. In accordance with this, they are due to get a 22 per cent increase with their October salaries. Nissim had asked the MKs to delay the hike, arguing that while there was nothing formally wrong with it, it would be bad from a psychological point of view. The minister said yesterday the rise could have detrimental effects on his efforts to impose wage restraint in the public sector. But this argument left the MKs unimpressed. Ariel Weinstein, the senior Likud member on the committee, said that if the hike were delayed an even larger increase would be necessary later on. "It is always the same problem, large increases to our wages accumulate because of delays and then we are targets for attacks," he said. Haim Ramon, Weinstein's opposite number on the Alignment side, told Nissim the committee had no power to determine the wages of ministers and MKs. Ramon said that MKs had already forgone a wage increase of 41 per cent, despite the fact that they were entitled to it. "We were the only sector in the economy to do so," he said.

A public lecture by G.D. Black L.L.B. Ph.D. at 1 p.m., Thursday, October 29, at the Diaspora Yeshiva, Mt. Zion on "London Hospitals and The Jews"

HOME AND FOREIGN NEWS

KGB forgeries still focus of trial

Witchcraft, death rays and Demjanjuk

By ERNIE MEYER
Jerusalem Post Reporter
Witchcraft, death rays, para-psychology and the Great New York Electricity Blackout of the 1970s all featured in the Demjanjuk trial yesterday as defence witness Avraham Shifrin was cross-examined by the prosecution. The session started placidly enough, with defence counsel Yoram Sheftel completing his questioning. The atmosphere, at least in the first half of the session, was much less agitated than it had been on Monday. Court president Dov Levin attributed this to his admonition in chambers to counsel of both sides on how to do their questioning. Shifrin said that the departments dealing with forgeries and disinformation are among the KGB's biggest. "Most of the KGB's work is based on forgeries."

"Would the KGB deal with one single, unimportant man like John Demjanjuk?" Sheftel asked.

"The answer is simple - yes. They have put

millions of unimportant plain people into camps. Against one 'deserter' living in Canada they forged evidence that he had raped a woman."

Asked Judge Levin: "But there must be some reason?" Shifrin: "During World War II many Ukrainians deserted to the Germans and in 1941 Ukrainian nationalists in Lvov proclaimed an independent state. After the war Stalin took revenge for this disloyalty and caused a man-made famine in the Ukraine."

Prosecutor Yona Blatman wanted to stop this line of questioning as irrelevant to the case, but Levin overruled him. The judge asked the witness whether all former Ukrainians living in the West are deserters in the eyes of the KGB? "Yes, absolutely," said Shifrin. "Whoever leaves Russia, even legally, is a traitor."

Shifrin went on to say that in recent years there had been an effort to achieve a rapprochement between Ukrainians and Jews. "The KGB doesn't like this. It is possible that all this is a

KGB provocation. If Demjanjuk is convicted, they will blame the Jews."

Levin: "You're digressing; don't engage in speculation." With this Shifrin's direct examination came to an end and Blatman started to cross-examine. Surprisingly, the witness answered Blatman's first question in Hebrew, although until then he had always responded in Russian. Levin: "You may speak as you see fit."

Shifrin: "My Hebrew is not perfect."

Levin, with a smile: "It is improving by the minute."

It was decided that the witness would answer in Hebrew, but that if he felt the need, he could revert to Russian. Blatman wanted to know whether the U.S. Senate subcommittee which had invited Shifrin in 1973 had in all its meetings ever asked him about KGB forgeries.

Shifrin: "I don't remember; there were many subjects, but the matter must have come up."

(Continued on Page 4)

Amnesty International report:

Systematic torture in Syria

By DAVID HOROVITZ
Jerusalem Post Correspondent
LONDON - Amnesty International yesterday accused the Syrian authorities of the systematic torture of thousands of political opponents, claiming that Syrian security forces have devised 35 separate methods of torture, detailed in the cases of 10 detainees believed to have died as a result of torture under Syrian detention between 1983 and 1987, and noted that "at least five powerful security units have for years arrested people in Syria at will, often without explanation, and tortured them during periods of incommunicado detention that have sometimes lasted several years."

Anyone suspected of opposing President Hafez Assad's government is at risk, Amnesty stated, adding that Palestinians from refugee camps, and other detainees seized in Syrian-controlled areas of

Lebanon, have been among those subjected to gross abuses.

Hundreds of Palestinians handed over to Syria by the Amal militia last February were interrogated and tortured in Syria, having already been tortured at the hands of Amal, Amnesty stated.

The independent London-based organization cited the case of 58-year-old lawyer Riad al-Turk, who has been detained for seven years without trial, and has reportedly been admitted to intensive care wards during the last three years for treatment following torture. After one torture session in 1984, said Amnesty, he was found "to be suffering from ... kidney failure, to be deaf in one ear and to have a broken arm and leg."

Ahmad al-Kabra, a Palestinian from the Damascus al-Yarmuk refugee camp, reportedly died after torture shortly after his 1985 arrest. Amnesty also cited the case of soldier Sulaiman Mustafa Ghaibur - who died in detention in Aleppo in 1986 after refusing to incriminate a political suspect - and of prisoners

at the Tadmur Military Prison in the Homs Desert, where whippings are routine and inmates "regularly have cigarettes stubbed out on their bodies and their faces cut with razors." Among the 35 horrifying methods of torture described by Amnesty are the "Black Slave," in which the victim is strapped onto a device that inserts a heated metal skewer into the anus, and the "Washing Machine," in which arms and fingers are crushed in a rotating drum.

Victims have also suffered fractured vertebrae and near strangulation on the "Syrian Chair," and others have had hair and nails pulled out, have been subjected to electric shocks, and have been sexually abused.

Amnesty blames Syrian Military Intelligence officers and Special Unit commandos for the arrests and abuses in Lebanon, noting that victims in the Beirut region are frequently subjected to severe "preliminary torture" in West Beirut, before being transferred to Anjar in the Bekaa Valley for "real torture."

Gov't declares war on cults

By BERNARD JOSEPHS
A crackdown was announced last night on mystic sects whose followers allegedly become virtual slaves and whose leaders have been condemned by the head of an official inquiry commission as "soul traders." Among the steps to be taken are the imposition of laws to control the use of hypnosis and the financial activities of the groups, a ban on the use by cults of false identities, restrictions on the entry into Israel of cult members from abroad, and a public information campaign. The measures were recommended earlier this year by an Education Ministry committee headed by MK Miriam Glazer-Ta'asa, which presented its report to Minister Yitzhak Navon after five years of investigation. Now they are to be carried out by a team representing seven government ministries and the police.

The Glazer-Ta'asa committee declared that cults such as the Moonies and Scientologists presented a serious threat to society. It alleged that their leaders had amassed fortunes at the expense of their followers and the state.

"What is really going on is a form of bondage, self-environment and even the handing over of the individual's property. The leaders are soul traders who abuse our laws," she said.

The committee, which also investigated Transcendental Meditation, the Divine Light Mission and Hare Krishna, among other movements, found that some 5,000 Israelis, mostly youths, were members of mystic cults.

The Glazer-Ta'asa committee was the subject of controversy because of claims that it aimed to limit freedom of expression. But last night, Yitzhak Navon, the top aide and head of the interministerial team, said he would "read very carefully" to avoid this.

"Our job is to implement the recommendations of the committee but we realize we are faced with a classic dilemma. We have to achieve the correct balance between protecting public safety and ensuring peoples' right to believe what they want and behave as they want," he said.

On the team are representatives of the police and the following ministries: Finance, Education, Labour and Social Affairs, Health, Foreign, Justice, and Religious Affairs.

The first task, discussed yesterday, is the launching of a major campaign to warn young people about the dangers of cults. "Most people who join such organizations do so out of total ignorance," said an Education Ministry spokesman.

Navy nabs Turkish boat with 5.7 tonnes of hash

ASHDOD (Tim) - The Israel Navy confiscated 5,700 kilos of hashish found in tyres on a boat flying a Turkish flag off the coast here, it was reported yesterday. The boat was seized last weekend after several fishing boats were seen making contact with it at sea.

Arrangement seen to let Awad stay

By JOEL GREENBERG
Jerusalem Post Reporter
Responding to expressions of concern by U.S. diplomats, Foreign Ministry sources said yesterday they believed a way would be found to allow Palestinian nonviolence activist Mubarak Awad, an American citizen, to stay in Jerusalem despite the revocation of his local residence permit by the Interior Ministry.

There's a quiet and businesslike dialogue going on with the American Embassy, in a good atmosphere, and I believe things will be ironed out," said one source.

The source cautioned, however, that policy regarding Awad was set primarily by security officials and the Interior Ministry, not the Foreign Ministry.

The Interior Ministry maintains that Awad's extended residence abroad and U.S. citizenship legally nullify his status as a resident.

Awad told *The Jerusalem Post* that people inquiring on his behalf at the Israeli Embassy in Washington were told that he would be allowed to retain his Jerusalem residence permit.

If his permit is not restored, Awad, who was born in Jerusalem, will have to leave the country when his tourist visa expires on November 21, and may not be allowed back.

Awad says he will take his case to the High Court of Justice. U.S. Ambassador Thomas Pickering said Monday that his embassy had "taken a great interest" in the case of Awad, who advocates Palestinian civil disobedience and nonviolent resistance to Israeli rule in the territories.

Awad was visited on Saturday by the U.S. consul-general in Jerusalem, Morris Draper, and the deputy chief of mission at the embassy, Arthur Hughes.

Awad is under police investigation in connection with a booklet entitled "Non-Violent Resistance - A Strategy for the Occupied Territories," which he has circulated in Arabic. The booklet, based on strategies used by Mahatma Gandhi and Martin Luther King, outlines methods of civil disobedience and passive resistance, such as non-payment of taxes, refusal to fill out forms, lying down in front of Israeli bulldozers and boycotting Israeli products.

Awad, 44, lived some 15 years in the U.S., and has been in Jerusalem continuously since 1985, when he founded the Palestinian Centre for the Study of Nonviolence in East Jerusalem.

The centre is to sponsor a mental health conference on November 5-7, which will deal with the emotional effects of occupation on the Palestinians.

Ten more arrested at Dehaishe

By JOEL GREENBERG
Jerusalem Post Reporter
Security forces have arrested 10 people from the Dehaishe refugee camp, in a follow-up to Monday's major security sweep which netted 18 residents suspected of rioting and incitement.

Troops were apparently unable to apprehend all the people they were looking for in Monday's operation. Some of those sought have consistently evaded arrest since a spate of administrative detention orders issued against camp residents about half a year ago. Many of those ordered detained were suspected activists of the Popular Front for the Liberation of Palestine.

Elsewhere in the West Bank, IDF troops dismantled a metal structure erected by yeshiva students at Joseph's Tomb in Nablus, on the grounds that it violated the status quo at the site. The action was ordered by Defence Minister Rabin,

who in the past has blocked any structural changes at the tomb which can only be visited by day by the yeshiva students, who live in neighbouring settlements. Earlier this year, Rabin prevented the installation of an air-conditioner in the building.

Yeshiva head Rabbi Eliezer Igra said the metal structure had been erected with the approval of the local military governor and the West Bank commander to support a canvas sheet supplied by the army to provide cover against the winter rains. The covered area was to have included a dining area, a kitchen and a study hall which are currently housed in tents, he said.

Igra said yeshiva students, who had worked on the structure for 10 days, were shocked yesterday morning to find that it had been dismantled overnight by IDF troops posted at the building. Military sources said no approval

could be given for such a structure without the consent of the coordinator of activities in the territories and the defence minister.

Classes resumed yesterday at An-Najah University in Nablus after a six-week closure order by its administration following clashes between rival student factions. The violence between Islamic fundamentalist and pro-Fatah students broke out after the fundamentalists held a religious celebration in the campus mosque without coordination with the administration and the Fatah-dominated student council.

EVRON - Haifa University president Ephraim Evron will not stand for re-election when his four-year term expires next May, he informed the annual meeting of the university's board of governors yesterday. Evron, 67, served as Israel's ambassador to the U.S. before he was elected president in 1984.



Ida Nudel on an exercise bicycle during her check-up yesterday at Hadassah Hospital. (Yitzhak Elharari)

Ida Nudel undergoes physical at Hadassah

By JUDY SIEGEL
Post Science and Health Reporter
Ida Nudel yesterday underwent a complete series of medical tests in Jerusalem. The 56-year-old former Prisoner of Zion, who arrived in Israel after 16 years of waiting for an exit visa, some spent in Siberian exile, reportedly suffers from heart problems. She was examined by doctors at the Shemer Institute at Hadassah Hospital on Mt. Scopus. A report on the tests is to be sent to her in a week. Nudel's examination was paid for by Hadassah, and included an ultrasound check of body organs, includ-

ing the heart, and blood and ophthalmological tests. She was given an especially thorough examination in view of the inadequate medical care she received in the Soviet Union. The standard check-up at Shemer, used by some 500 people a year, costs between NIS 300 and NIS 400.

Worried about the health of her sister Ilana Fridman and brother-in-law, who struggled for her release from the USSR, Nudel insisted that they get a check-up as well. Fridman, who accompanied her, promised that she and her husband would also go for a check-up at Hadassah.

Treasury: IBA pay hike only if staff is slashed

By GREER FAY CASHMAN
and AVI TEMKIN
Jerusalem Post Reporters
If television and radio journalists' salaries are hiked by 25 per cent, the Israel Broadcasting Authority will have to cut staff drastically, the Treasury's chief wage negotiator Ya'acov Danon told reporters yesterday. Approval was given for 1,670 posts, but there are in fact 1,800 employees, he said. Calling for the immediate dismissal of 130 workers, Danon said that there would have to be a further 20 per cent reduction in jobs. The savings from such a move would cover the salary increases, but there was no guarantee that salaries would go up. IBA management representatives met with Danon last night to test his flexibility. If he can meet the journalists half way, radio and television may be back on the air today or tomorrow. Education Minister Yitzhak Navon yesterday asked IBA director-general Uri Porat and chief of per-

sonnel Amram Ahar for a detailed report on how the negotiations were progressing. The text of his draft proposal for an amendment to the Broadcasting Authority Law was finalized yesterday by the Justice Ministry. Navon has been working hard to win Likud support for the bill, which gives IBA management, with the consent of the education minister, the ability to close the IBA for up to 90 days.

Should the journalists' strike continue there is a strong likelihood that essential foreign language radio broadcasts will resume. Till now, management has refrained from applying for back-to-work court orders. But as the strike enters its fourth week management realizes that broadcasts in Arabic, Russian and Persian must be resumed. The Arabic broadcasts, which are picked up across the borders, are, according to some ministers, vital to Israel's security. The Russian and Persian broadcasts are important to the morale of politically oppressed Jews abroad.

Government may rent cars for driving students' tests

By JONATHAN KARP
For The Jerusalem Post
TEL AVIV - The Transport Ministry, seeking ways to overcome the driving instructors' sanctions, is now considering renting cars so that students can take their driving tests. Director-general Baruch Levy yesterday instructed the head of the vehicles department to draw up plans for renting cars for students whose instructors are still refusing to lead them driving-school cars. Instructors have refused to provide their students with cars for the

test for the past three days in protest against the backlog of students waiting to take tests, they say. They blame the Transport Ministry and say the delays have led to threats and even violence against them by students. Ministry officials say the instructors' sanctions are a response to a ministry decision to lower the amount they could charge their students to "rent" their cars for the driving test.

The sanctions continued yesterday, but testing went on as usual in a few centres throughout the country.

MOSSAD HARAV KOOK

JERUSALEM

share the profound grief of a dear friend of our Institutes and treasurer of the Maimon World Center (New York)

Mr. JOHN KLEIN AND HIS FAMILY

upon the passing of a beloved and noble wife and mother

MIRIAM KLEIN מרים

Dr. Yitzhak Raphael
Chairman

Rabbi Sender Shizgal
Director, Public Relations

With deep sorrow, I announce the death, of my beloved sister

BEVERLY SANDRA KOTI ברי

Detroit, Michigan, August 19, 1987

Mourners:

Sister: Rhos White, Beersheba

Son: Daniel, Detroit

Beloved friend: George Williams, Detroit

We deeply mourn the death of our esteemed colleague

Prof. ELIAHU LOUIS GUTTMAN

and express our condolences to his family

The Israel Academy of Sciences and Humanities

The B'nai B'rith World Center, Jerusalem and its Executive Committee deeply mourn the passing of

Prof. LOUIS GUTTMAN

and extend condolences to his wife and family.

مكتبة الأمل

CONTROVERSIAL ETHNIC ALBANIAN POLITICIAN FIRED

Sparks flying in Yugoslavia's 'powder-keg'

PRISTINA, Yugoslavia (Reuters). — Yugoslavia yesterday fired a controversial ethnic Albanian politician whose sexual and racial slurs about Serbian women provoked huge street protests in troubled Kosovo Province.

Former Yugoslav vice-president Fadil Hodza, 77, was deprived of his office in the regional assembly, his limousine and other official perks.

His bodyguard was withdrawn and a sentry box outside his home in Pristina, the capital of Kosovo, had been torn down, said a statement from the state leadership of the ethnic-Albanian dominated autonomous region.

The ruling Yugoslav Communist party central committee had demanded Hodza's purge for encouraging Albanian nationalists and separatists in the province.

The party has also called for Hodza, semi-retired but still an influential local leader, to be sacked from the council of the federation, an advisory body of veteran politicians.

The central government decision to send riot police into Kosovo province to quell the simmering row between Albanians and Serbians has reawakened memories of the hatred that divides the communities.

The government sent a 380-man heavily-armed paramilitary police unit to Kosovo on Sunday, indicating concern over the two weeks of anti-Albanian protests by the minority Serbian community in the autonomous province in the Republic of Serbia.

In Pristina, the fog-shrouded streets were quiet. Albanian and Serbian youths took the traditional evening 'promenade' — on opposite sides of the dusty main street.

"It has been like this for years," said a middle-aged Gypsy shoe shiner who works on the sidewalk at promenade hour. "They hate each other."

From cradle to grave, Albanians and Serbs hate each other, an emotion reinforced by the unofficial segregation bred by a rooted animosity between two communities

who share no traditions, history or language. Serbians were outraged after a newspaper published comments by Hodza suggesting that the rape of Serbian women by Albanians could be reduced if Serbian women worked as prostitutes. Hodza said his remarks were taken out of context.

Yet the street protests continued and diplomats in Belgrade said the decision to send the elite force indicated the authorities were alarmed that the tension could lead to serious conflict and wanted to warn the rival communities.

Albania, which borders Kosovo, has said the decision to send riot police to the province had created a grave situation and worsened relations between the two countries.

Kosovo, once a cradle of Serbian civilization, is inhabited by 1.7 million ethnic Albanians and 200,000 non-Albanians, mainly Serbs. In 1981 Albanian nationalists rioted through Pristina's streets trying to set up their own republic in a province commonly known as Yugosla-

via's "powder keg". Almost 30,000 Serbs have fled Kosovo since 1981, saying the Albanians were trying to drive them out, blinding their cattle, vandalizing their homes and raping their children.

"Our kids are born in separate maternity wards, go to separate nurseries and schools, and stroll on opposite sides of the street," said a Serbian woman who, like other residents of Kosovo, asked to remain anonymous.

"How can unity be achieved in this situation?" she asked, throwing up her arms in despair.

The Serbs are Slavic while the Albanians trace their roots to the Illyrians. The Albanians are Moslem, the Serbs are Orthodox Christians.

The great divide is visible everywhere. The two communities have their own cafes and bars where the other is not welcome. One Albanian intellectual noted that perhaps the only thing the two sides have in common is poverty.



Vladimir Titov on arrival in Vienna yesterday. (Reuters)

Ex-KGB agent tells of psychiatric 'prisons'

VIENNA (Reuters). — Several thousand people are being refused permission to emigrate from the Soviet Union every year, Vladimir Titov, a former KGB agent turned dissident, said here yesterday.

Titov, 49, who spent a total of 18 years in Soviet prisons and psychiatric clinics, was speaking to journalists after his arrival in the Austrian capital. He was allowed to leave Moscow earlier in the day.

About 180 dissidents have been released from jails and labour camps under a Kremlin amnesty this year, and many have left the country, but Titov said this was only a fraction of those who actually wanted to leave.

Titov, a member of the KGB for five years until 1961, said he had been imprisoned for the first time in 1969 for leaking evidence to the

West on conditions in Soviet labour camps.

"I spent a total 18 years behind bars, 12 of them in special psychiatric clinics run by the Ministry of the Interior (MVD) like prisons,"

Looking pale and haggard, Titov said he had been released from a psychiatric clinic on October 10. Although he is not Jewish, he was given papers to emigrate to Israel, the standard Soviet procedure for expelling dissidents.

"Conditions inside these clinics are terrible," he said. "They are run just like maximum security prisons with modern surveillance systems. All the doctors and personnel are MVD officers."

The number of political prisoners in Soviet mental hospitals is unknown, but some western sources

estimate it at about one thousand.

Titov said there were as many as 20 inmates in a single room, often without windows, and they were allowed to use toilet facilities only at given times.

"The suicide rate there is very high," Titov said. "In the two years between 1976 and 1978 I spent in the psychiatric clinic in Orlovsk, 11 inmates killed themselves."

Titov said he intended to settle in West Germany. He said he would stay in Vienna as a guest of the International Society for Human Rights, based in West Germany, and would leave for Frankfurt when his papers had been arranged.

He said he was single and had left his mother and a sister in the Soviet Union, but hoped they may later be allowed to emigrate.

Soccer, Taiwan newsman steal limelight from Peking congress

By ANDREW ROCHE

PEKING (Reuters). — China's Communist Party congress returned to the subject of reform yesterday after a night in which politics took a back seat to ecstatic celebrations of a sporting triumph over an old enemy. Excited soccer fans set off fireworks by bicycle and on foot into the early hours of the morning. They chanted slogans celebrating China's 2-0 soccer victory over Japan, ensuring China a place, for the first time ever, in the Olympic finals, to be held in Seoul next year.

"Long Live China, Down With Little Japan," they chanted as police made several arrests and attempted to shoo revellers away from the square, next to the Great Hall of the People where China's most impor-

tant meeting in five years is being held this week.

Meanwhile, a Taiwanese journalist who defied his government's ban on travel to Mainland China stole the limelight from top politicians at a news conference yesterday.

"Please be seated. Please go back to your seats," China's Communist Party Congress spokesman urged as a throng of reporters and photographers ignored the minister of science and technology and mobbed the Taiwanese.

Pi Jiesing, 32, deputy editor of a magazine called *World News Agency*, is the first journalist from Taiwan to cover a Communist Party congress and risks criminal charges when he returns.

Although Taiwan recently announced it would allow people to

visit relatives on the mainland for the first time since the Nationalists fled the Communist revolution in 1949, civil servants, soldiers and journalists are still barred.

As Pi approached the steps leading up to the Great Hall of the People, where the eight-day congress is taking place, he was surrounded by camera crews and reporters.

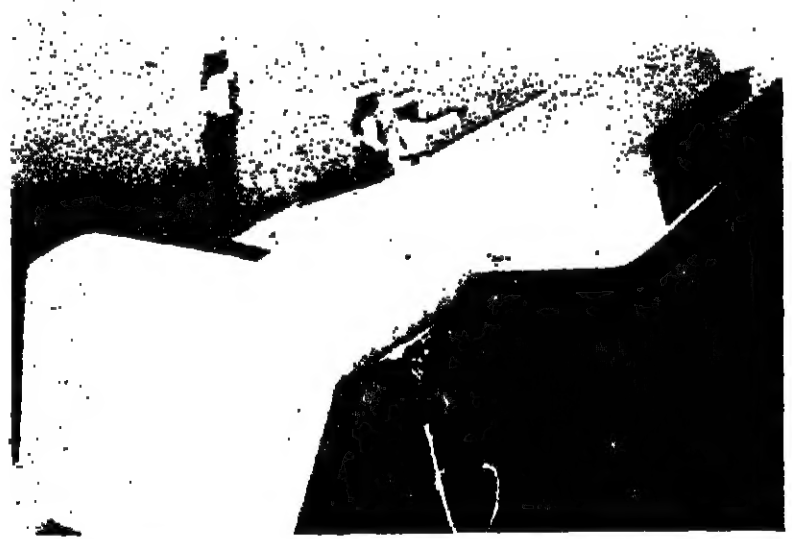
"We have a responsibility to make peace between these two governments and promote exchanges to lessen antagonism and improve relations," Pi said. Taiwan was more advanced in its programme of reforms but the mainland government could provide help, he said.

Foreign journalists, frustrated at being denied access to the 2,000 congress delegates meeting behind closed doors, bombarded Pi with

questions and delayed his arrival at the news conference where again he was the focus of attention. A score of cameras flashed as Pi stood to ask Science and Technology Minister Song Jian what China and Taiwan could do to promote exchanges.

A beaming Song said he wanted to extend a warm welcome to the reporter from Taiwan. Many mainland scientists had been refused permission to visit Taiwan but there was active cooperation in third countries, such as the U.S., Japan and the nations of Western Europe.

Two Taiwanese journalists who became the first to publicly defy the ban on travel to the mainland last month have been grilled by state prosecutors after their return and face charges carrying a maximum three-year jail sentence.



Chinese Silkworkers in file photo. (Reuters)

Kuwait to organise civil defence

KUWAIT (AP). — A U.S.-flagged supertanker escorted by an American frigate yesterday steamed toward Kuwait, where officials announced plans to train civilian volunteers to defend the oil-rich nation after a spate of Iranian missile attacks and a terrorist bombing.

Shipping officials in Kuwait, speaking on condition of anonymity, said the convoy was moving through the central Gulf. But they did not know its precise position.

Pentagon officials said the U.S. navy's 13th convoy had steamed from the United Arab Emirates.

The convoy was comprised of the newly refitted tanker Middleton, a 280,000-ton ship that carries oil products, and the guided-missile

frigate Ford, the Pentagon said. President Ronald Reagan agreed in June to reflag 11 of Kuwait's 22 tankers to provide them with U.S. naval protection.

One of those tankers was hit off Kuwait by an Iranian Silkworm missile October 16, and the U.S. retaliated by destroying two Iranian platforms at the other end of the Gulf.

Three days later, Iran fired another Chinese-made missile at the vital sea island terminal, setting it ablaze and shutting it indefinitely.

The English-language *Kuwait Times* quoted Col. Khalid al-Quoud, Kuwait's civil defence director, as saying the military training of volunteers would begin next week.

Murder jeopardizes Central American peace plan

SAN SALVADOR (Reuters). — Unidentified gunmen shot dead a human rights leader in San Salvador on Monday, raising further obstacles to a Central American peace plan due to take effect next week.

Herber Ernesto Anaya, 33, president of El Salvador's Independent Human Rights Commission (CDHES), was gunned down in the street by two killers who fled in a small truck.

CDHES spokesman Reynaldo Blanco told reporters he held government officials responsible for the killing but government spokesman Roberto Viera denied the charge.

Viera said the killers might have been hoping to scuttle talks between the Farabundo Marti National Lib-

eration Front (FMLN) and the government aimed at ending an eight-year-old civil war.

The rebel Revolutionary Democratic Front (FDR), allied to the FMLN, said in a statement from Mexico that it was considering breaking off the talks because of the murder.

Radio Venceremos, voice of the FMLN, said the rebels would call a nationwide transport stoppage in protest at the killing.

Protestors blaming the government for the killing burned two buses and a government car in San Salvador, and about 100 war refugees and relatives of assassinated or missing people occupied the city cathedral.

In the Costa Rican capital of San Jose, Salvadorean Foreign Minister Ricardo Acevedo Peralta denied any government link with the murder. He said the peace dialogue with the Marxist-led rebels would continue, possibly in Mexico. He gave no date.

The two sides said earlier this month, after stalemated talks in Caracas, that they would meet in Mexico City between October 30 and November 4.

Ceasefires in El Salvador, Nicaragua and Guatemala by November 7 are key provisions of the regional peace plan signed by five central American presidents in Guatemala City in August.

Acevedo, in San Jose for a meet-

ing of the five central American foreign ministers, said his government would declare a unilateral ceasefire regardless of progress in talks with the rebels.

The diplomats said the murder served as a warning to FDR leader Ruben Zamora, who has said he will return to El Salvador in the next few weeks to test government assertions that the country has developed a democratic process within which the political left can safely operate.

"It's a clear indication of the danger he faces," said one diplomat.

Meanwhile, in the largest repatriation of refugees in Central America, a total of 4,313 Salvadoreans have returned from Honduras to the homes they abandoned in the early 1980s. Despite the high drama and diplomatic tension, the repatriation, dubbed Operation Going Home by assisting church groups, passed off remarkably smoothly.

However, the refugees return has aroused considerable controversy in El Salvador. Although peace talks have resumed after a three-year break, the eight-year-old civil war is still going on.

Investor loses \$500,000 in market crash, kills himself

APPLETON, Wisconsin (Reuters). — An investor who reportedly lost a half million dollars in last week's stock market crash committed suicide after his broker demanded repayment of loans, officials said yesterday.

The suicide came a day after an investor in Miami, said to have lost heavily in the market rout, fatally shot a stockbroker and wounded another before committing suicide.

Arthur Kane, 53, had been a long-time customer of the Merrill Lynch brokerage firm in a Miami suburb where the shooting occurred.

The 58-year-old Wisconsin investor who committed suicide was named as Vernon Lamberg. He checked into a motel in Wausau, Wisconsin, disconnected a gas pipe on a heater and died of asphyxiation, the local coroner's office said.

His body was found last Friday. Colleagues said Lamberg had lost \$500,000 in the October 19 market plunge, and his broker had demanded repayment of loans he had taken against his holdings to make more investments.

The coroner's office said Lamberg left a suicide note for his wife and had posted a package containing an undisclosed amount of currency to their Appleton home before taking his life.

Woman admits trading baby for cocaine

CHICAGO (Reuters). — A woman who admitted trading her 22-month-old son for \$50 worth of cocaine has been charged with child abandonment, police said on Monday.

Police were checking into the mother's story that she exchanged the baby for a small amount of cocaine in June and that the cocaine dealer later abandoned the baby, called Baby Tony by child welfare authorities.

"She used the child as some type of collateral for her admitted cocaine addiction," Commander Ettore Divito told Reuters.

The mother, Lou Ann Powell, who police allege is a prostitute and habitual drug user, has another infant son born with cocaine in his system who is now in a foster home, as is Baby Tony. If convicted of the felony charge, Powell could face a jail term of at least one year and the loss of her children.

Spying for Libya

CATANIA, Sicily (AP). — An Italian air force officer and an auto repairman went on trial on charges of procuring classified Nato information for Libya.

Giuseppe Franchi, a 38-year-old warrant officer, and Paolo Riggio, 40, were arrested in February 1986. Authorities said secret service agents surprised the two in a square of this Sicilian city as they were preparing to hand over secret documents from Nato's Comiso Air Base to an unidentified Libyan agent, who escaped.

Jordanian peace trek

AMMAN (Reuters). — A young Jordanian started a six-year peace trek on Monday, aiming to become the first Arab to walk around the world.

Local newspapers yesterday quoted Walid Ameyreh, a stocky, bearded 24-year-old from Salt, northwest of Amman, as saying he wanted to be a "carrier pigeon of Jordanian peace to the world." An instructor on Jordanian antiquities at the government-run Hotel Training College, Amayreh set out from Ramtha in northern Jordan for Maan in the south on the first leg of his trip.

Typhoon Lynn kills 58

MANILA (AP). — Typhoon Lynn left at least 58 people dead in the northern Philippines over the weekend, reports from the Red Cross and government disaster agencies said here yesterday.

Liz works again

BARI, Italy (Reuters). — Elizabeth Taylor has begun work on her first big-screen film for seven years, starring in a Franco Zeffirelli film about the life of the late Italian conductor Arturo Toscanini, production officials said yesterday.

Taylor is playing the Russian soprano Nadina Bulisiov, with whom Toscanini fell passionately in love, in the \$16 million joint Italian-French production of "The Young Toscanini."

Filming started in this southern Italian city on Monday with American actor Thomas Howell taking the part of Toscanini.



Rebel priestess Alice Lakwena. (Reuters)

Ugandan troops claim rout of voodoo priestess's rebels

KAMPALA (AP). — The Ugandan government yesterday said its troops had routed followers of a voodoo priestess, killing more than 200 of the rebels in weekend battles near Jinja, Uganda's second largest town.

"The National Resistance Army is in hot pursuit of the rebels who are now scattered in small pockets," the Ministry of Defence said in a statement.

The struggle to wipe out these rebels is continuing. Officials identified the rebels as members of the Holy Spirit Movement, a guerrilla band led by self-proclaimed priestess Alice Lakwena. It is one of a half dozen rebel groups fighting against President Yoweri Museveni's 21-month-old

government. The 27-year-old Lakwena, known as "Mama Alice" to her followers, reportedly sends her troops into battle after anointing them with oil they believe will ward off bullets and arming them with stones which she says will turn into grenades when hurled at the enemy.

The NRA claims to have killed more than 2,000 Holy Spirit rebels since the group was formed about seven months ago, but reports say Lakwena still commands thousands.

"At one time our force had 10,000 men and women," Grace Aciyo, 25, one of the captured rebels, said at a military barracks where she and 29 other prisoners of war were being held.

Korean constitution approved

SEOUL (AP). — South Korean voters yesterday overwhelmingly approved a new constitution, clearing the way for the first direct presidential elections in 16 years.

While the voting was under way, protesters urging a boycott of the national referendum clashed with riot police in the heart of Seoul, hurling firebombs and rocks at the authorities. Police used tear gas to turn them back.

Shortly after 1 a.m. today, seven

hours after polls closed, election officials said the new constitution had been approved by a majority of the voters.

The approval rate stood at 94 per cent with about 54 per cent of all ballots counted, they said. A simple majority was needed to endorse the new constitution. Nearly 80 per cent of the country's 25.6 million eligible voters cast ballots, election officials said. Final results were expected to be known later this morning.

Nazi can't be prosecuted in W. Germany

LUDWIGSBURG, West Germany (AP). — A U.S. national of German origin, expelled from the U.S. for lying about his Nazi past, cannot be prosecuted under West German law because he is not accused of murder, a prosecutor said here yesterday.

Reinhold Kulle, who was an SS

brigade member at the Gross Rosen camp where some 50,000 prisoners died, was investigated by West German authorities.

He said that Kulle had not been implicated in any murders, but added that inquiries could be reopened if evidence was found linking him with any killings.

A SMALL TOOTHACHE CAN BE A BIG HEADACHE FOR THE NEEDY ELDERLY.



Oral discomfort is only part of the problem. Abdominal disorders are caused by the elderly not being able to chew their food properly, and it is one of the projects of The Jerusalem Post's Forsake Me Not Fund to supply free dental care for the needy elderly.

THE JERUSALEM POST
"FORSAKE ME NOT"

Contributions can be mailed directly to The Jerusalem Post, P.O. Box 81, Jerusalem 91000, Israel.

All funds are allocated in accordance with the recommendations of the Ministry of Labour and Social Affairs.

The Association of Engineers in Israel

Chamber of Engineers & Architects

Warmly welcome

Eng. VLADIMIR SLEPAK

upon his return to his homeland

A great day for Israel and the People of Israel

CONCERT in REDEEMER CHURCH, OLD CITY

Thursday, October 29, 1987 at 8:30 p.m.

EDWARD H. TARR — trumpet,

IRMTAUD KRUEGER — organ

Works by Handel, Krebs, Bach, Eben and others. Visitors coming from Jaffa Gate will find somebody waiting at the beginning of David Street to take them to the church. Tickets at the church.



Vladimir Slepak at the Western Wall yesterday.

(Isaac Harari)

'Until I die, I'll never forget this morning'

Vladimir Slepak's day of thanks in Jerusalem

By DAVID BAKER
For The Jerusalem Post

Proclaiming himself anything but a hero, former Prisoner of Zion Vladimir Slepak spent his first day in Israel yesterday visiting Jerusalem and thanking those who helped him in his struggle to leave the Soviet Union. The former Siberian exile and his wife Masha arrived here Monday after 17 years of bitter conflict with the Soviet authorities over the issue of Jewish emigration.

Slepak described his first Israeli morning: "It is like being reborn. Until I die, I'll never forget this morning, when I woke up and looked out at the sun rising over the Judean hills, and the Old City in front of me."

Addressing a large audience at the Hebrew University's Givat Ram campus, Slepak credited world Jewry and international political figures

for his release, but warned that his departure, and the recent arrival of Ida Nudel and Anatoly Sharansky, did not signal a change in official Soviet policy. "These releases were concessions under pressure... Let us continue the fight. Let's do it together," he said to a standing ovation.

Slepak started his short speech in Hebrew, but after a few words switched to English. Eight-year-old Avi Slepak Taft, who was given the middle name by his American immigrant parents as a show of solidarity with the former refusenik whom they met during a visit to Moscow, presented his namesake with a T-shirt bearing the inscription "No place like home." Foreign Minister Peres hugged Slepak and called his arrival in Israel "a victory for the Jewish people."

Earlier in the day, Slepak visited

the Western Wall. Draped in a prayer shawl, he held back tears as he stared silently at the stones, as if he could not believe that he had achieved his dream to get here. He was welcomed with kisses and hugs by a large group of American tourists, and went on to tour the Arab market.

Slepak's next stop was the Prime Minister's Office, where he spoke with Yitzhak Shamir about the plight of Soviet Jewry. In remarks to reporters afterwards, Slepak said he would support the inclusion of the Soviets in Middle East peace talks, but only after they permitted free immigration and guaranteed equal rights for Jews opting to remain in the USSR.

Masha Slepak, who gave emotional support to her husband and many other refuseniks, said she knew that one day "good will triumph over evil."



Prime Minister Shamir (right) with Slepak in Jerusalem.

Arens 'unfamiliar' with proposals

Policy would bring more money, less autonomy to Arab sector

By ELAINE RUTH FLETCHER
Jerusalem Post Reporter

A new broad-based policy that seeks to integrate Israel's minorities more fully into the mainstream, but may also lead to greater government influence over grassroots Arab organizations, is to be presented to the prime minister in the next few weeks, according to officials in the Office of Arab Affairs.

Drafts of the plan include recommendations for a five-year investment in the Arab sector of some \$250 million, said Amos Gilboa, senior aide in the office. Among other things, the allocations are meant to raise municipal budget levels and improve educational facilities.

Deputy Minister Roni Milo, head of the office, has said he believes the goal of "integration" and "cooperation" between Israel's Jews and Arabs was attainable, despite the unresolved Palestinian question on the West Bank.

But drafts of the plan that have reached the press also speak in alarming terms about the growing "autonomy" and "Palestinization" of the Arab-Israeli sector, and propose strategies to halt that perceived trend.

The plan, for instance, calls for integrating powerful Arab organizations that now operate more or less independently, like the national committee of Arab local councils, into the framework of existing government and public institutions.

"We want the Arab local councils to operate via the Union of Israeli Local Authorities, not via a separate committee," said Milo in an interview with *The Post* yesterday. "We recommend that things shouldn't be done in a sectoral fashion. It's not healthy. It doesn't contribute to a feeling of unity."

But Arab municipal leaders see such proposals as a way to dampen their clamour for equal opportunity

and equal budget allocations, and they note that so far Milo has not even met with their organization.

"The Arab committee represents the Arab sector and no one can ignore its existence," said Samir Darwish, mayor of Baka al-Gharbiya.

"But I have a proposal for Milo," added Darwish. "Give us full equality, so that we receive what the Jews receive, then there will be no reason for the continued existence of the Arab committee."

Also in line with the effort to stem "Palestinization," the policy reportedly proposes strategies to prevent the formation of new Arab political parties, limit the number of students attending East Bloc universities, and better monitor the flow of money from abroad to grassroots Arab institutions, ensuring it doesn't come from hostile groups.

Gilboa, who prepared the report under the supervision of Moshe Arens and then his successor, Milo, has come under widespread attack for alarmist language in the policy paper about a supposed trend among Arab-Israelis for "autonomy."

Both Milo and Gilboa, however, describe the report as still incomplete.

"There are drafts, there are various ideas... [it's not yet finished, and when it is] it won't be published. It will be sent to the cabinet for discussion," Milo said.

Arens, meanwhile, said many of the elements reported by the press to be contained in the policy draft "bear no resemblance to anything" he ever saw before leaving office in September.

Proposed strategies to discourage the "Palestinization" of Israeli Arabs or the creation of new Arab political parties were unfamiliar to him, he said. "The Arabs living in the State of Israel are, by my definition, Palestinian Arabs."

As for discouraging the development of Arab political parties, which could become pro-PLO voices, Arens said, "That strikes me as coming completely out of the blue. There already are two Arab political parties, even though they're not Arab parties in the pure sense of the term. Both have said they're supported by the PLO."

Before leaving the Office of Arab Affairs, Arens said, he was "working towards coming up with a policy paper that we intended to present to the cabinet. We didn't finalize such a version of a policy paper. I never authorized or agreed to any definitive version."

Arens acknowledged that specific policy recommendations being drafted by his office had been deliberately kept secret. "We had intended not to publish the paper. We wanted the cabinet to be the first to see it."

Arens, however, said that the plan as it stood when he left office in September articulated goals he had often stressed publicly: promoting Arab integration and equality in Israeli society; encouraging more Arab volunteers in the IDF; increasing budget allocations to Arab municipalities; increasing school allocations; and returning the villages of Iktir and Biram evacuated by the IDF in 1948.

Gilboa contends that the report, as it stands, was prepared after widespread consultations with Arab-Israelis. "The larger part of this report is based on conversations with Arabs, what bothers them, what they want. It's not something that just comes from above. It's a result of a lot of fieldwork."

But the national chairman of the committee of Arab local councils said this week that he didn't know about the report until he read about it in the press.

Judge: 'You don't bomb people to make a point' / Vancier: 'I deserve to be punished'

Former JDL leader jailed for NY bombings

NEW YORK (AP) - Vincent Vancier, the former self-proclaimed leader of the Jewish Defence League, was sentenced to 10 years in jail for a series of bombings in the New York area since 1984.

"That is just not acceptable behaviour in civilized society," said U.S. District Judge Leo Glasser. "You don't go bombing people, innocent people, to make a point." Glasser said the sentence imposed Monday on Vancier was to punish him for his acts and to deter other groups from using violence. The judge also cited Vancier's previous record, which included a conviction involving firebombings in 1979.

Vancier, 30, said in a statement to the court, "I have no justification for what I did. I deserve to be punished. For 15 years, I've known nothing but failure and frustration in everything we've done."

In an earlier proceeding on Monday, Glasser sentenced former JDL member Murray Young, 60, who pleaded guilty to racketeering charges

with Vancier last August, to a five-year jail sentence.

Another defendant and JDL member, Jay Cohen, 24, who also admitted to participating in the bombings, committed suicide in September.

The charges against them said they carried out a series of firebombings in New York City between 1984 and 1986, including an attack at Avery Fisher Hall on October 20, 1986, the day the Moscow State Symphony was to appear.

Glasser sentenced a fourth defendant, Sharon Katz, 44, on Monday to a three-year suspended sentence, six months' house arrest, five years on probation and fined her \$5,000 for her role in a tear-gas grenade attack at the Metropolitan Opera House at Lincoln Centre during a performance of the Soviet Moiseyev Dance Company on September 2, 1986.

Miss Katz pleaded guilty to assaulting the Soviet Ambassador to the United Nations, who was injured in the attack, but she denied throw-

ing the grenade. She could have been sentenced to up to three years in jail and fined \$5,000. The FBI said Miss Katz carried the grenade into the opera on instructions from Vancier. Cohen was accused of tossing the grenade into the opening night performance, attended by 4,000 people. Twenty were hurt.

Vancier's court-appointed lawyer, Thomas Concannon, argued that with the exception of the attack at the Metropolitan, no one had been injured in any of the other incidents. He also depicted Vancier as "a very tragic figure" who was consumed with trying to help Jews in the Soviet Union.

Both Vancier and Murray had faced a maximum sentence of 20 years in jail and a fine of \$25,000.

The JDL was founded by Meir Kahane in 1968 to oppose anti-Semitism. Vancier and Cohen founded a separate group, Jewish Direct Action, in July 1983, which merged with the JDL two years later.

Arbeli: Smoking kills 4,000 Israelis a year

By JUDY SIEGEL
Post Science and Health Reporter

About 4,000 Israelis die each year because they smoked cigarettes, but smoking is not considered an official cause of death, Health Minister Shoshana Arbeli-Almosino said yesterday.

The minister, a strong opponent of smoking, was speaking at a seminar on cancer prevention held by the Hebrew University-Hadassah Medical School in Jerusalem. She added that traffic accidents, which kill some 400 a year, are listed as a cause of death, but smoking - which results in lung cancer, emphysema, heart attacks and other diseases - is not. She promised to do all she could to change this.

She urged her audience to pressure the Knesset, specifically members of the Labour and Social Affairs Committee, to approve her proposed amendment banning smoking in all workplaces, except for restricted areas in each building.

Until the amendment is passed, she said she would try to get all family doctors to try to persuade their smoking patients to quit.

Dr. Manfred Green, an epidemiologist from the Beit Levinstein rehabilitation hospital in Ra'anana, conducted a survey of 6,000 white and blue-collar workers and found that 95 per cent (including most smokers) admitted that smoking was very dangerous.

Among men aged 20-39, 37 per cent smoked, 16 per cent had quit and 47 per cent never started; for

men over 40, the statistics were 29, 30 and 42 per cent, respectively. Among women aged 20-39, 27 per cent smoked, 8 per cent had stopped and 65 per cent had never smoked, compared to 20, 10 and 70 per cent respectively among women over 40.

The initiator of the seminar, Dr. Jerry Westin of the medical school's department of medical ecology, stated that the connection between smoking and disease was first proven in the '60s.

As to other carcinogens - from nitrosamines to certain pesticides - he criticized the health establishment, from the ministry down to the Israel Cancer Society, for acting too slowly to ban them. These officials wait for evidence from epidemiologists, who can take decades carrying out studies to scientifically prove links with carcinogens. The Americans stated 20 years ago that if a chemical is found to cause cancer in laboratory animals, it should be regarded as dangerous to humans as well, he said. But this principle has not been implemented in the U.S. or in Israel.

DES, a chemical given to pregnant women to strengthen the fetus, was found in 1941 to cause cancer in animals, but was proven to be a carcinogen in humans only in 1970, he said. Thus thousands of baby girls born to DES women are in danger of getting such cancer.

Of the six million existing chemicals, only 1,000 are known to cause cancer in animals, said Westin, thus "people should not be afraid that everything causes cancer."

Report: Sexual abuse, fear in understaffed boarding schools

By JEFF BLACK
The Labour and Social Affairs Ministry has blamed budgetary constraints for the harrowing situation in the country's boarding schools revealed in a recent report by the National Council for the Well-being of Children.

The report, drawn up by Dr. Yitzhak Kadman, claimed that boarding schools for children under age 14 were severely understaffed, while the existing staff did not have the necessary training or qualities to cope with the demands placed on them. Cases of staff members sexually abusing the children in their care went unpunished, according to the report, which concluded that many institutes relied on a rule of fear to keep order.

The report, based on anonymous evidence from former and present officials and pupils in the boarding school system, sharply criticized the ministry for its lack of supervision over these institutions. The ministry was also attacked for providing less than half the money needed per child to conform to the minimum standards for such schools as required by law. Many of the boarding schools which receive problem children, the report noted, operate without the required licence.

Ministry officials agreed yesterday that there was a definite need to increase supervision over boarding schools. The report claimed that inspectors only visited the schools dur-

ing classroom hours and so never received a true picture of the institution. But the officials said that the Treasury had refused to allocate more money for inspectors and so the ministry's hands were tied.

The officials added that the ministry agreed that the schools were in need of more money, but said it lacked the necessary funds.

The major point in the report, with which the ministry took issue, concerns staff quality. The officials said that the ministry does provide suitable training for counsellors and matrons working in the schools.

Ministry Director-General Yehoshua Davidovich has already asked the police inspector-general to investigate the allegations of child abuse and other illegalities contained in the report.

Uri Gordon, the head of Youth Aliya meanwhile claimed the report had severely damaged the good name of the boarding school system. He told a meeting of Youth Aliya's directorate that the report, which only dealt with a small number of unnamed schools, had caused panic among thousands of parents whose children attend boarding schools.

He called on parents of children at Youth Aliya schools not to join this panic, stressing that these schools were not referred to in the report and were fully supervised at all times. Our achievements, said Gordon, are recognized and appreciated throughout the country.

Sexual harassment in civil service 'ignored'

By DVORAH GETZLER
Post Knesset Reporter

The Civil Service Commission is "utterly unconcerned" about the results of a recent survey of sexual harassment in the civil service, according to Uriel Lynn (Likud-Liberal).

Lynn wrote yesterday to Finance Minister Moshe Nissim, the minister responsible for the commission, urging action to counter such harassment. He said his "startling and worrying" conclusion had been reached following receipt of a letter on the subject from Deputy Finance Minister Adi Amora'i.

The commission believes, according to Lynn, that if no complaints of sexual harassment reach it, then there is no need to press inquiry further and no need to formulate a stance on the issue.

This, says Lynn, "indicates no small degree of naïveté, or of basic reluctance to measure up to the problem."

Women staffers' well-known and understandable reticence and their unwillingness to complain are no excuse for not taking action. Quite the contrary. The commission has a moral duty to act to protect its female staff, Lynn urges, and should set an example to the private sector.

Royalty at Haifa University

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA - Carl Herzog (Duke) von Wuertemberg lent a royal touch to the final day of Haifa University's annual board of governors meeting yesterday.

Carl, pretender to the throne of the south German "Land" that bears his family name, together with his science and culture minister, Professor Helmut Engler, attended the inauguration of the Gottlieb Schumacher Chair which the Land funded, in the recently opened Schumacher department to research the Christian contribution to the development of the Holy Land in the 19th century, which is headed by Professor Alex Carmel.

In an interview, the 51-year-old duke, who is a son-in-law of the pretender to the French throne, Henri Orleans Duke of Paris, noted that the Templers who built colonies in this country a century ago, of whom Schumacher was a prominent member, were "Pietist" Protestant fundamentalists (and are still a force in his Land's Bible belt).

His family "is 900 years old and can't just be made to disappear because forms of government change." He is loyal to the constitution "and it is my duty to serve my Land."

The title goes with more than a pittance. He has large holdings in



Carl Herzog (Duke) von Wuertemberg

lands and industry, and is engaged in farming, timber, construction, electronics and textiles.

He said his late father, Philip, had been a strong opponent of the Nazis who cashed him from the army as "unreliable." He spent several spells in prison, finally sitting out the war interned in the castle in which Carl now lives.

A greying, very tall man, the duke has four sons and two daughters, aged from 10 to 26. He was one of seven children and his wife one of 11. The French pretender. "We love children and we want to carry on the line," he explained.

He is also engaged in social welfare and cultural activities. By refraining from joining any party he is able "to be on good terms with all" in the Land, which for the past 20 years has had a solid Christian Democratic (conservative) majority.

Engler, 61, a former professor of law and rector of the University of Freiburg, came for only a day, as he is due to represent Germany at a meeting of OECD culture ministers in Paris today. He said: "The duke and his house are part of our history, and all of us, even the socialists, accept him." While the Daimler-Benz automobile concern in his state had donated the Schumacher department, the state had decided to fund the chair, which will be more concerned with study and teaching because of its connection with the Templers.

Carl said that the last king of Wuertemberg, his grandfather, who was deposed in 1918, had supported the Templers, "and I'm here to take up the threads." This is his first visit to Israel.

Though he was not actively seeking to reestablish the throne, he did note that the old German monarchies had coexisted with republics and today "King Juan Carlos is doing very well in Spain after the Franco dictatorship, against all expectations."

(Continued from Page Two)

Blatman next touched on the complicated story connected with Ladislav Bitman, who worked in the disinformation department of the Czech KGB and later defected to the West. In his 1972 book *The Deception Game* he described operation "Neptune," in which the KGB dumped several crates with documents in a lake near the German border, which they wanted the Germans to find. The documents were papers incriminating Germans in war crimes and accusing Russian citizens of collaboration with the Germans.

The book does not say that the documents were forgeries, but Shifrin had indicated to U.S. officials, who had shown him some of the documents, that they were forgeries. Asked to name the U.S. officials he had dealt with, Shifrin declined. Blatman pressed Shifrin to explain on what he based his conclusion that the documents were false. Shifrin finally came up with the explanation that "if you want to deceive the enemy, you make your bait half genuine and half forged."

Blatman was clearly attacking Shifrin's credibility as an expert on the genuineness of documents emanating from the KGB. "Most documents coming from Russia are usually forged," the witness finally burst out.

After lengthy and sometimes acri-



DEMJANJUK ON TRIAL

monious exchanges between Blatman, Shifrin and the bench, Levin finally ruled that the subject would be further dealt with today, after the court had seen the book.

Blatman: "Do you believe that the Russians consider you an enemy?"

Shifrin: "They say so in books and newspaper articles, even in films."

In this connection a regrettable error in yesterday's story should be pointed out, which said that after the war Shifrin had been a criminal investigator for the KGB. Shifrin did not say this and he stresses that he at no time worked for the KGB.

In his continuing cross-examination Blatman asked Shifrin about an interview he gave the *Barmahane* army magazine. In it he was quoted as saying, "The KGB can't touch me. The KGB has a para-psychology department located in Baku, whose members can kill people long-distance without the use of weapons." He explained in the article that there are certain rays which can be used to stop a person's heart. Another quote was to the effect that the KGB succeeded in turning former U.S. President Richard Nixon from an anti-Communist into a pro-

Communist.

Levin: "Do you say that this was the result of the work of the KGB's para-psychology unit?"

Shifrin: "No, the journalist misunderstood me and invented things. I don't talk such nonsense. I'm a serious person who has written a book on para-psychology. The Pentagon also deals with this subject."

In another interview, Blatman said, Shifrin maintained that the KGB operated a department dealing with witchcraft.

Levin: "Witchcraft is a matter of bygone ages."

Shifrin: "Not so, serious institutes in Russia and in the U.S. investigate these matters."

The witness further mentioned the efficacy of certain talismans. He added: "I know how certain mental emanations go through the cosmos. Good emanations get through, but bad ones can be stopped and warded off."

Blatman: "Do you have the power to emanate?"

Shifrin: "I did not say that."

The prosecutor then quoted from a *Yediot* interview with Shifrin, entitled "The secret soldiers of the USSR." In it the witness describes a

camp scene in which he used his mental rays and almost killed a hated guard.

Shifrin explained that the journalist had got the story wrong. A fellow prisoner who was a drug addict had these certain mental powers, and that he, Shifrin, used his powers to stop the guard from being killed.

At this stage defence counsel Sheftel objected to Blatman's line of questioning, saying that it tended to hold up his client to mockery.

Levin: "The questions are legitimate."

Sheftel: "It's a question of quantity."

But Judge Dalia Dorner sided with Sheftel and said that if further questions were in the same vein, there had been enough of them.

But Blatman pressed on and asked whether Shifrin had been quoted correctly in saying that a leader of the U.S. Congress had been killed by a heart attack induced by rays? Shifrin admitted that he had said this, but without mentioning a specific person.

Blatman: "Did you say that the Russians can influence the weather and caused the big electricity blackout in New York some years ago?"

Shifrin: "Yes, I talked about that subject; all this is based on the work of a famous Russian researcher."

The cross-examination continues today and may be followed by further questioning by the defence.



An engineer prepares lenses for laser research.

(BIPS/IPS)

Holography -- reaching for the sky

Lisa Perlman

KITSCH EARRINGS and monochromatic 3-D pictures to adorn your wall probably come to mind at the mention of the word "holography" — the method of recording a three-dimensional image by means of a monochromatic light emanating from one source (laser). These display applications, however, are only one aspect of the technique to record light waves as they are, in a way that regular photography cannot achieve.

Whereas photography makes use of a single light beam, which falls on the photographed object and is scattered from it, in holography, laser light is split into two beams that interfere with each other to form a pattern. One of them illuminates the object being photographed — it is called the "object beam"; the other hits the film directly — the "reference beam."

Beyond the "bread-and-butter" display applications, as Prof. Asher Friesem of the Weizmann Institute calls them, are optical element, or interferometry, applications used in science and industry, some of which reach as high as the sky, in the form of testing the effects of heat on aircraft or developments in pilots' helmet display, for example.

Israel is dotted with small teams — both in academia and industry — that are working on a variety of highly specialized holographic applications. Among them, Friesem and his colleagues at Weizmann are attempting to develop new design techniques for sophisticated optical computers for which they can also generate holograms with a computer, point by point.

RECORDING THE hologram is usually done with photographic emulsion, and after development in a darkroom the result is an exposed negative with complex black and transparent interference patterns. There are tens of materials that can be used for recording and storing the hologram, including gelatine, photochromic materials, crystals, metals or polymers, whose properties change when they are illuminated with light and chemically developed.

Besides the three main areas of application, holograms may also serve as circuits for image-processing or pattern recognition on a picture or page; or, on a robot-controlled conveyor belt, holographic technology may be employed to detect flaws in mass-produced items.

An additional field that is being investigated by a number of teams in Israel is a head-up display or a helmet display for pilots, both of which save the pilot from looking down at the control panel by having the information available either at eye level or via a visor. The big questions, Friesem says, are: "Can we make a head-up element that will not require such accessories as additional conventional lenses (which compensate for distortions and aberrations) of the holographic elements? And, can we make them multi-colored?"

ONE COMPANY to be involved in research in this field is El-Op, which builds optical systems mainly with military applications. The whole process of forming images in thin layers of gelatine, says Dr. Oded Amon, head of El-Op's holographic

group, has tremendous value because it yields very compact and almost weightless results, as opposed to the heavy glass and metal products required in traditional systems — mirrors, prisms, lenses, etc.

Holography provides a superb alternative, he says, by "combining" the display panel with the pilot's vision of the outside world. "Conventional head-up display has a very narrow range"; holography "opens up" a host of new possibilities, including the range of vision. Of the helmet display, he says, "it's like reading subtitles on the clouds."

The combination of the glass with the gelatine, Amon says, enables light to be directed in non-conventional directions: "It does things that are totally impossible otherwise. The gel can operate as a multifunctional element, many holograms can be recorded on the same gel and it is flexible. It can direct red light and blue that way. Its potential is enormous." But it is not intended to replace optics, Amon stresses. "It just opens up the field."

A TEL AVIV University team is opening up other fields in holography based on an interest in composite materials and metals for engineering. Says electro-optician Rami Aharoni: "We are investigating the optical detection of ultrasound, probing for defects and getting material characteristics." He speaks of a "flashlight effect" in flaw detection and of "sonicating" to look at the reflections inside a material. Unlike the non-destructive methods mentioned above, which use contact probes, at TAU they are working on non-contact optical techniques for cases when the material is either too hot — e.g., iron ingots fresh out of a 100-degree furnace — or when the material is harmful, e.g., chemicals or uranium, etc.

Ultrasound variations are normal in engineering products, Aharoni notes, and adds that the laser is the candidate in trying to characterize such materials and look for flaws. "We try to look for the surface vibrations which are very small — about one angstrom [light is 10,000 times that amount]. Working on engineering materials, the light gets scattered away, so it is like looking for a person on the moon."

Holography provides a better quality of measurement and a more exact recording, Aharoni and his colleagues are among very few teams in the world working on lasers combined with ultrasound. He sees commercial applications in the future for the flaw-detection system he is working on, which is set to be a fraction of the price of at least one other that applied ultrasound to rough surfaces — a German system that cost millions of dollars. Although he stresses that theirs is still in the stages of a feasibility study, he adds proudly that the present system was set up in the laboratory for less than \$100,000.

Holography seems to give the future a new dimension: Friesem talks of 3-D movies and Amon of spaceship displays for astronauts. What will it do to interior decoration and jewelry?

Girls shy of technology

Michael Rhea

NEW YORK (Reuters). — Young girls may shy away from careers in technological fields because they fear being seen as tomboys and because standardized science tests may be biased towards boys, according to a new study at Columbia University.

Despite the advent of the feminist movement, the number of females seeking careers in science and technology is not in proportion to the male-female ratio of the population. "In an age of science and technology...it was assumed that a proportionate number of females would be seeking education and employment in the areas of expanding opportunities," said researcher Eve Humrich.

of Teachers College, Columbia University, who headed a team studying why boys do better than girls in science tests.

"I think we have to look at what kind of testing we do. We think that the written tests are biased in favour of boys in the use of language and terminology," said Humrich.

"It's known that boys have more exchanges in the classrooms with teachers and more out-of-school experiences with science, particularly things like bicycle repairs and building models."

THE EGYPTIAN cotton leafworm, one of the major pests affecting cotton and alfalfa crops in Israel and the rest of the eastern Mediterranean, has met its match in a bacterium found by a Tel Aviv University scientist to be more effective than chemical pesticides.

Dr. Baruch Sneh, a plant pathologist and microbiologist at Tel Aviv University's botany department, discovered that the use of *Bacillus thuringiensis* is not only better, but also safer, than chemical sprays in the biological control of agricultural pests and is constantly on the lookout for additional natural microorganisms, like bacteria and fungi, to fight pests and plant diseases.

When he began his research a decade ago, there was no known bacterial strain effective against the leafworm. He and his research team found that a certain strain of the bacillus, sprayed on cotton or alfalfa, fights the pest. Last year, 250 acres of alfalfa fields were sprayed with a preparation of the bacillus. Only seven applications of this preparation were needed to get the same crop yields as those produced after nine applications of the chemical pesticide.

In addition, the chemical killer also destroyed most of the natural enemies of the leafworm and other insect pests, thus disrupting the natural balance in the alfalfa ecosystem. This does not occur with the use of the bacterium. Another advantage is that it does not lead to the buildup in insects of tolerance to chemical pesticides, a phenomenon which forces farmers to use new and more toxic chemicals against the pests. For his research, Prof. Sneh was awarded the 1987 Plant Protection Prize given by the A.Z. Cohen

Worm meets its match

Research and Development Fund. The bacteria preparation will be available commercially next summer, just in time for the bugs.

ANOTHER important biological control project fights a soil-borne fungus called *Rhizoctonia solani*, which causes disease and death to a great variety of plant species. These include vegetables, field crops and trees. Prof. Sneh and his colleagues found a particular non-pathogenic strain of this fungus that provides seedlings with strong protection against the virulent fungus. The non-pathogenic strain is applied in furrows even before the crop is planted. Within a day after planting, all the seedlings are protected from *Rhizoctonia solani*. Crop yields have increased substantially: carrots by up to 70 per cent, and lettuce by 62 per cent. The project, which requires further pre-industrial research, is currently seeking additional funding.

FOR PARENTS who tend to lose their children at the beach, a Tel Aviv company, Tiv Ayalon, has imported a device from Taiwan to help. Called *Shmor Li*, the device consists of two parts. One is hooked on to the bathing suit of the child. As soon as the child wanders from his sandpile into the water, the second device produces an annoying beep.

The device may also be used to protect a wallet or purse from robbers, or even a car from thieves. It begins to beep when the precious object moves a certain distance



Judy Siegel-Itzkovich

away. The cost is a reasonable NIS 44, and it works on batteries.

FRENCH FRIES from an automatic dispensing machine? It doesn't sound too appetizing, but a California company, Prize Frize of Palm Springs, has begun installing them in the U.S. According to a recent *Time* magazine, a helping of chips is dispensed by the machine for 75 cents or one dollar, depending on the size. The machine adds water to a dehydrated potato concentrate, forms it into fries, drops them into hot oil and in one minute delivers the serving to the customer. But competition is already on the way. Ore-Ida, of Boise, Idaho potato country, is now developing a machine that uses frozen chips instead of a mix. Can vending-machine felfel be far behind?

A MARRIAGE between post offices and Teletext has been made by the Communications Ministry. Minister Gad Ya'acobi recently inaugurated in Acre a Teletext service for the new Postal Authority. The Teletext service in Ramat Aviv will broadcast information from the

Postal Authority over TV screens in 10 post offices in the first phase of the project. This will be expanded to more post offices in the future. TV viewers who have the Teletext unit in their receiver can also read the Postal Authority notices.

FIVE ISRAELI scientists recently returned from a visit to China, where they attended an international seminar organized by the Chinese Academy of Sciences. The seminar was devoted to the various aspects of development of wilderness areas. Dr. Yehie Zohar of the Agricultural Research Administration at Beit Dagan headed the Israeli delegation, which represented a number of academic institutions here. The Israelis lectured on re-forestation, meteorology, land development and geography.

The seminar was held at the Institute for Desert Research in the city of Lanzhou. When away from the lecture room, the participants went on tours of the wilderness area in Inner Mongolia. The Israelis were honoured by being official guests of the governor of the region at the 40th anniversary celebrations of the official establishment of Mongolia. Upon his return, Dr. Zohar said that he was impressed by the determination of the Chinese authorities to develop their wilderness areas, which cover an area of 700,000 square kilometres. They seemed to welcome Israeli help and recognized its wealth of experience.

AN EVEN MORE foolproof anti-theft device for your car has been

produced by Ultra-pro Ab, a company in Stockholm. It features electrically powered locks for the door hood and trunk that are not connected to the ordinary locks and are fitted in places inside the car almost inaccessible to thieves. If the thief smashes a window or pries open the door, the horn will begin blaring and the lights will flash. But the best deterrent, reports a recent issue of *Newsweek*, is that if he sits on the front seat, he will get a 9,000-volt electric shock. The bolt won't kill or even seriously harm him, but it will induce a quick getaway, without ill effect. The system costs \$1,100, an insurance companies, the police and car manufacturers are said to be interested.

A NATIONAL museum of science and technology will be established in Haifa — based on the existing Technion facility in that city. The new museum was announced last week by Education and Culture Minister Yitzhak Navon, who prepared a document on the museum for the cabinet. The new museum is meant to promote the study of science and technology among young Israelis.

Initiated by Technion Professor Zvi Dori and Yitzhak Oref, it will be located on the old Technion campus in Hadar Hacarmel. Young people, as well as their elders, will be able to understand basic scientific laws by viewing exhibits, according to the plans. The Recanati banking family have donated \$1.5 million towards the museum, which will be named for Daniel and Mathilda Recanati. The Education Ministry and the Haifa Municipality will support its on-going maintenance. Navon added that the museum will establish a chain of branches in outlying areas, especially development towns.

OPEN SATURDAY NIGHT

Hypercol
Canion Ayalon
open 24 hours
all week Sunday
through Thursday

Hypercol, Kiryat
Ala Junction,
Sunday through
Thursday, open
till midnight.

Hypercol
Petach Tikva
Wednesdays and
Thursdays open
till 24.00

Holon
30 Professor Shor St.
Wednesdays and
Sundays through
Thursdays open
till 21.00.

Rishon LeZion
84 Lishansky Bv.,
Industrial Zone
Sundays through
Thursdays open
till 21.00.

Petach Tikva
Opposite Bellinson
Sundays, Mondays,
Tuesdays, open
till 21.00.
Wednesdays and
Thursdays open
till 24.00

Haifa
Church-post
open till 20.00

Jerusalem
Talpiot Industrial Zone
Sundays, Mondays,
Tuesdays, open
till 20.00
Wednesdays and
Thursdays open
till 22.00

Jerusalem
Givat Shaul Bldg
Sundays through
Thursdays open
till 20.00

Be'er Sheva
Ha'Oranin St. corner
Ben Gurion
Sundays, Mondays,
Tuesdays, open
till 22.00
Wednesdays and
Thursdays open
till midnight

NEW AT HYPERCOL

SLASHED PRICES

EVERY VEGETABLE AND FRUIT IS FRESHER AND CHEAPER TO BOOT!

Today at Hypercol:

Tomatoes, 1 kg.	up to 0.75	Bananas 1 kg.	up to 2.69
Potatoes, 1 kg.	up to 1.08	Oranges 1 kg.	up to 1.59
Apples, Orleans 1 kg.	up to 1.99	Avocado 1 kg.	up to 2.79

Prices valid until 30.10.87

Buy today and pay December 2, 1987!

On purchases over NIS 100 for holders of Visa, Isracard, Kolcheck and Moadon Hashekem credit cards.



THE EFFECTS OF THE WALL STREET STOCK MARKET CRASH ON THE MIDDLE EAST

Professor predicts exacerbated recession in Kuwait, Saudi Arabia

LONDON.-- The most obvious Middle-Eastern casualty of the world stock markets' slide is Kuwait, which has spent its high oil revenues of the past 10-12 years on overseas investment.

As Fred Halliday, professor of international relations at the London School of Economics told *The Jerusalem Post* this week, "Kuwait now derives over half of its income from investment abroad, while Saudi Arabia also has significant foreign assets."

Phillip Robins, a Middle East expert at the Royal Institute of International Affairs, agrees that Kuwait will now have to count the cost of neglecting home industrialization and failing to develop domestic production sectors.

"The Saudis, on the other hand, have instituted a fair number of local development projects," he added, "and they have also sold off many of their international assets in

David Horowitz

recent years to counter the effects of recession resulting from oil price falls.

Although Kuwait, Saudi Arabia, the United Arab Emirates and other Middle-East states with shares on world markets, are feeling the effects of the slump directly, Robins believes that there are indirect consequences too for countries such as Israel, Saudi Arabia and Jordan, whose currencies are linked - to a greater or lesser extent - to the dollar.

Robins noted that when the dollar fell on the foreign exchange markets last year, the Saudi currency dipped by 35-40 per cent.

"The effects of such a slide are felt primarily in the increasing cost of non-dollar imports," he said. There are implications too, contin-

ued Robins, for countries such as Syria, Egypt and Jordan, who depend on the wealthier, oil-exporting states, for grants and aid. "It is too early to speculate on the extent of these knock-on effects," he said, "But one can only assume that exacerbated recession in Kuwait and Saudi Arabia will lead to a cut-back in available aid resources."

By contrast, Halliday believes that however much the U.S. economy suffers from the market falls, its aid to Israel and Egypt will not be slashed. "That aid is just too holy to allow for any re-evaluation."

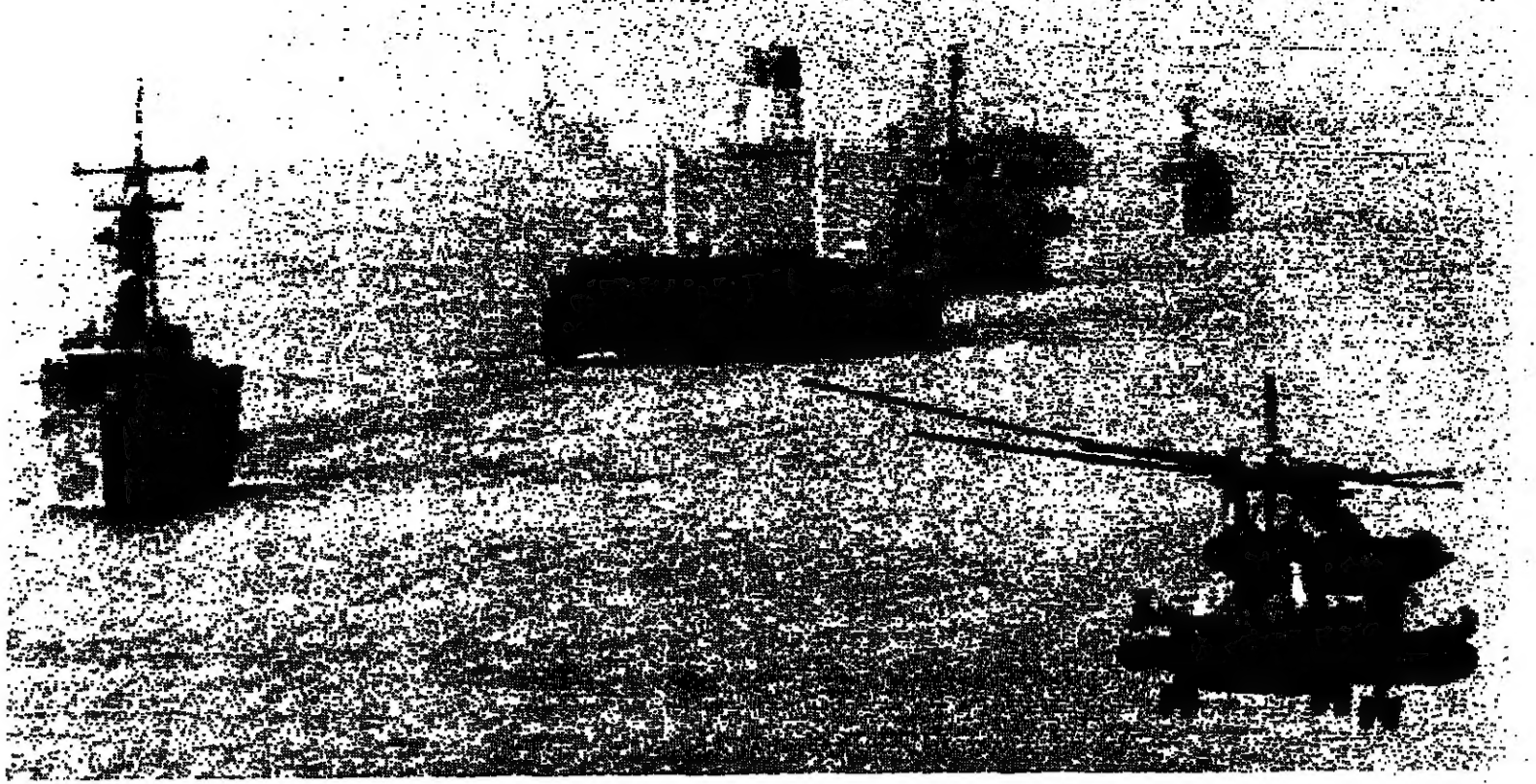
But though the London stock exchange hit its lowest mark for a year on Monday, analysts are by no means certain that a world recession is on the cards.

It is believed by some, in fact, that while U.S. economic growth will be slowed, other countries may benefit from an easing of inflationary pressures, falling interest rates, and a possible improvement in the U.S. trade deficit.

Bill Martin, chief executive at securities house Phillips & Drew, predicts only a "mild reduction" in the UK economic growth rate, but there have already been signs of a slowdown in property appreciation, particularly prime business and residential sites in central London.

Here again, the Kuwaitis may be among the casualties. They have invested heavily in London properties, quite apart from speculating on the London share market.

"If Kuwait is hit hard, it will only have itself to blame," said Robins. "It is time for Kuwait to pay the price for spurning the opportunity to nurture home industries in favour of the higher-yielding, but higher-risk, investment markets abroad."



U.S. Navy minesweeping helicopter leads U.S. warships escorting a Kuwaiti tanker through the Gulf.

(AFP)

U.S. clout could be weakened

Elaine Ruth Fletcher

DESPITE ECONOMIC woes on the home front, the United States is likely to continue acting aggressively in the Persian Gulf to end the war and thus preserve the stability of the oil-dependent Japanese and European economies, said Howard Rosen, a Bank of Israel research economist.

But over the long term, the recent Wall Street stock market crash and the looming possibility of a U.S. recession, may weaken American regional clout and harm the economies of crucial Arab allies, added Rosen.

U.S. Middle East policy will be increasingly fuelled by economic concerns in coming years, Rosen contends, and last Monday's stock market crash only reinforces that tendency. Rosen, formally a researcher for the Washington-based Institute for International Economics, presented a paper at Tel Aviv University's Dayan Centre last summer on the U.S. economy and its Middle East policy.

America's increasing focus on the Persian Gulf war, and its relegation of the Arab-Israeli conflict to a lower priority, reflects these underlying economic concerns, says Rosen.

The continued health of the Japanese economy is dependent on the free flow of oil through the Persian Gulf, which supplies 60 percent of Japan's oil needs. Were the Japanese economy to founder, the tremors would be felt quickly in the U.S. where Japan now is the largest foreign creditor.

"The Japanese bought up more than two-thirds of the U.S. Treasury bonds and bills issued last year," said Rosen. "The U.S. is heavily exposed to the Japanese economy. At some point it was even rumoured that the run on the stock market was sparked because the Japanese had been pulling out."

The linkage between the Gulf crisis and the U.S. economy can be seen in other recent news events. Just two days after the stock market crash, the U.S. Congress registered a unanimous vote of support for President Ronald Reagan's policy in the Gulf. But Congress also asked Reagan to present a full report on the crisis within 60 days.

Both moves seemed designed to calm the turbulent stock market, which plunged last Monday amid rumours that Iran might declare war on the U.S.

"The Persian Gulf is an economic issue, a Japanese issue," said Rosen.

At the same time, the relative influence of Arab oil states on the U.S. economy has lessened recently. The Arabs, once heavy investors in the United States, have been divesting themselves of their foreign assets in the past few years.

"Because of the oil price decline, the oil-producing states had already been pulling out of the financial markets," said Rosen. "Thus the big foreign holdings in the U.S. are no longer oil money but Japanese money. And U.S. foreign policy has been emphasizing Japan more than the Middle East."

According to one estimate released recently by Reuters, Gulf oil producers now have about \$60 billion invested in the United States. But that figure is far less than it was a few years ago. In 1982, for instance, Saudi Arabia had approximately \$140 billion in foreign assets around the world, but by 1986 that figure had dropped to only \$75 billion.

THE EUROPEANS as well as the Japanese are also exposed economically to events in the Gulf since Europe draws 11 percent of its oil through the Strait of Hormuz, Rosen noted. By contrast, only about six per cent of U.S. oil imports are shipped through the Gulf.

Germany ranks second to Japan as an economic power that can directly affect America's well-being, said Rosen. And while Germany is not as heavily invested in the U.S. economy as Japan, it is an important market for U.S. goods. Thus, European dependence on the Gulf gives the U.S. yet another incentive to the U.S. to act firmly in the Iraq-Iran war.

But over the long term, expanding U.S. economic problems may also prompt more U.S. "power-sharing" with Japan and NATO allies in the Middle East. And U.S. budget constraints may force Europe and Japan to bear a greater share of the responsibility for maintaining a Western military presence in the region, said Rosen.

Such trends were already evident this summer, well before the Wall Street crash, when the U.S. called on Europe to send minesweepers to the Gulf and held discussions on possible Japanese financing for part

of the U.S. minesweeping effort.

But the Wall Street crash has now intensified recession worries and highlighted longstanding flaws in the U.S. economy that will lead to budget difficulties, said Rosen. Relative to Gross National Product, the U.S. budget deficit is currently twice the size of Israel's deficit. The U.S. budget deficit, in addition to a growing trade imbalance, has forced the U.S. to borrow from abroad, and in 1985 the U.S. became a net debtor nation for the first time since 1917.

MEANWHILE, the likely spin-offs of the recession - rising U.S. interest rates, rising U.S. inflation and a declining U.S. dollar - will be felt in a variety of indirect ways in Arab economies. A decline in the dollar would decrease the real value of oil revenues.

That, in turn, would reduce the income of Gulf oil states, slowing down the turbines of economic growth in the entire region. The region has only recently begun recovering from a recession brought on by the severe 1985-1986 oil price decline, in which prices plummeted from an average \$25 to \$11 per barrel before rising again to the current \$19 per barrel level.

The falling dollar, or a U.S. trade embargo on Iran, could eventually prompt Arab oil producers to raise oil prices, either in an effort to make up for lost revenues or as a response to the market conditions created by an Iran embargo.

But currently, either increases or decreases in oil prices would be undesirable for the Middle East and for the world. For instance, an increase in oil prices would prompt a short-term boost in the economies of the moderate Gulf states. But over the long term, oil price increases could mean declining oil consumption, decreased revenues for the Gulf States, and further world inflation.

"It pushes the recessionary tendencies," explained Rosen.

A falling dollar, in the absence of a real solution to the U.S. trade deficit, also could have a variety of other unwanted effects on the Middle East. It would make exports from Arab countries more expen-

sive, and would push up interest rates, hurting countries that are repaying big loans to U.S. banks.

The potential impact of the debt repayment problem is significant since several non oil-producing Arab countries already face debt problems comparable to those in Latin America.

For instance, Egypt's \$26 billion foreign debt is equal to half of its GNP. And one-third of Egypt's export income is eaten up just by interest payments on the foreign debt. In Morocco, another important moderate force in the region, the \$15 billion foreign debt is equal to the GNP.

By comparison, Brazil, the classic example of a heavily-indebted Third World nation, has a foreign debt of \$100 billion, one-third the size of its \$300 billion GNP. Brazil devotes half its export income to servicing its foreign debt.

On the matter of foreign aid, Rosen notes that the U.S. has traditionally used such assistance as a policy lever in the oil-poor countries of the Middle East. For instance, when King Hassan met with Shimon Peres in Iran last year, there was a great deal of speculation that Hassan's moves were designed to win more U.S. economic assistance for his country.

Likewise, Egypt's 1979 peace treaty with Israel was rewarded with \$1 billion annually in U.S. economic aid, Rosen notes. Since then, Egypt's overall economic aid has remained roughly at the \$1 billion mark, although that represents a decline in real money terms. Total economic and military aid in 1986 was \$2.3 billion.

Significant U.S. aid declines, particularly when coupled with loan repayment problems, could fuel instability in Cairo and give more power to the enemies of Arab-Israeli peace, including Islamic radicals. Meanwhile, a more limited U.S. ability to hand out foreign aid elsewhere could affect the future course of Arab-Israeli peace negotiations, said Rosen.

"I would imagine the Jordanians would like to get the same thing out of sitting down at the table that the Egyptians did," he observed. "And the question is, can the U.S. afford to give Jordan another \$1 billion, at the same time that they're giving \$2 billion to Egypt, and \$3 billion to Israel?"

Rethinking Gulf investments

Stephen Jukes

BAHRAIN. (Reuters). - Wealthy Gulf Arabs, jolted by chaos on world stock markets, are rethinking their overseas investment strategy, but the Iran-Iraq war means there is little chance they will channel cash back into the Arab world.

Gulf-based economists said there were first signs large merchant families were backing away from international share investments following panic selling last week that hit markets from New York to Tokyo.

But oil-rich governments such as Kuwait were unlikely to sell their stakes in European and U.S. firms. "Individuals are very nervous... An awful lot of banks are holding an awful lot of hands very tightly," one economist said.

Economists and investment bankers said the strategies of wealthy

individuals - many the heads of long-established Gulf merchant families - and of oil states are often different.

Private Arab investors have sometimes sought short-term gain, moving quickly in and out of world stock markets. The tendency to "play the market" has, however, decreased markedly since the \$90-billion crash in 1982 of the unofficial Kuwaiti stock market known as the Souk al-Manakh.

Kuwait and Saudi Arabia still possess huge foreign reserves built up during the oil boom days of the early 1980s.

Not much effect seen in areas

Joel Greenberg

PLUMMETING world stock prices are unlikely to have much of an effect on the economy of the West Bank and Gaza Strip, according to Palestinian and Israeli observers of the financial scene in the territories.

They say that few Palestinians in the area, if any, have direct investments in foreign or Israeli stock markets, and that share falls will have virtually no direct effect on the personal finances of even wealthy individuals.

Nevertheless, one area in which the stock crash could have an effect is aid to the territories from the U.S., western countries and Jordan, according to the observers. They note that the onset of a recession in the U.S. and in other countries could mean reduced foreign aid budgets, meaning less funds for the territo-

ries, which are not top priority on aid lists of various states. They point out that current levels of foreign aid to the territories are not particularly high.

A slowdown in the Israeli economy as a result of a world recession could also have a spinoff effect on the territories, and reduce demand for Palestinian labourers in Israel.

Possible contraction of the economies of the Gulf states could lead to extensive layoffs of Palestinians working in the oil-rich nations, whose wealth is extensively invested in western banks and financial institutions.

Cairo clamps down on news of terror gang

Shyan Bhafia

UNDER COVER of a Cairo news blackout the Egyptian authorities have arrested two alleged leaders of an extremist gang believed to have attacked American and Israeli diplomats in the capital.

A Gulf newspaper, *Al Khaleej*, says investigations are centred on two ex-army colonels. Their gang, code-named "Egypt's Revolution," has been active since 1984.

One of the colonels is a former security officer at the Egyptian Embassy in London. *Al Khaleej* has named the men as Mahmoud Nur-uddin Sayyid and Mohieddin Adly Rajab. They are claimed to have tried unsuccessfully to enlist the backing of Khaled Nasser, son of the late president. Although the two

colonels were picked up more than a month ago, the Egyptian government has kept silent about the affair, and the local press has not touched the story.

Any attempt to sentence the men, who opposed Egypt's peace treaty with Israel, could spark off unrest. Anti-Israeli sentiments are openly expressed in Cairo, and there is a general feeling that Jerusalem has not honoured the spirit of the Camp David peace accord between the two countries.

Early last year, an Egyptian soldier won public sympathy after he opened fire on an innocent Israeli tourist group near the Red Sea resort of Nuweiba. The soldier, Sulaiman Khater, was said to be disgraced, and he hanged himself in his

prison cell before he could be brought to trial. After his death he was hailed as a hero by Libya's Colonel Gaddafi and in Teheran a street was renamed in his honour.

Egypt's Revolution first came to public attention in 1984 when it claimed responsibility for shooting a cultural attaché at the Israeli embassy in Cairo. Last year, an Israeli woman was killed and two others wounded when the gang opened fire on the Israeli section of an international fair in Cairo.

Last May, the U.S. embassy's security officer, Denis Williams, narrowly escaped death after his car

was raked with automatic fire. After receiving an anonymous tip-off last month, the police closed in on the two colonels.

Al Khaleej said shots were fired before Colonel Rajab was arrested at his home in the Shubra al-Khayma district of Cairo. He was wounded and taken to hospital.

At Colonel Sayyid's home, police are said to have found Katyusha rockets and \$500,000 in bank notes.

Gulf sources say the real backer of Egypt's Revolution is Gaddafi, who considers himself the true inheritor of Nasser's political mantle. (Observer News Service)

The Middle East page is edited by Yehuda Litani.



WORLD BANK PUBLICATIONS IN AGRICULTURE

The Environment, Public Health and Human Ecology
James A. Lee
Provides guidance in the detection, identification, assessment, and measurement of environmental and related human ecological effects. It offers to a broad readership interested in public affairs an overview of the implications of economic development projects for natural resources, environmental systems, etc.
288 pages. NIS 27.50 JH-2911

Desertification in the Sahelian and Sudanian Zones of West Africa

This paper was undertaken in response to growing concern that not enough was being done to tackle the desertification problem in West Africa. It looks at strategies for increasing research on production systems, training staff and farmers, reducing the population through child spacing and resettlement, etc.
62 pages. NIS 9.20 BK-0897

The Efficient Use of Water in Irrigation

Provides a basic review and analysis of the principles governing soil-crop-water-climate relationships, irrigation and the efficient utilization of water in arid and semiarid regions.
107 pages. NIS 14.00 BK-0914

Issues of Efficiency and Interdependence in Water Resource Investments
Lessons from the Indus Basin of Pakistan

The report examines alternative policies for achieving more efficient resource utilization in the Indus Basin. The pervasive presence of physical interdependencies in water resource utilization tends to produce failure of efficiency in market allocation.
130 pages. NIS 14.75 WP-0665



Community Piped Water Supply Systems in Developing Countries

This document provides officials in developing countries with a manual that can assist in the planning of community piped water systems. Project preparation, identification, pre-feasibility studies, monitoring and technical planning are described.
249 pages. NIS 27.50 BK-0896

Agricultural Mechanization
Mechanization policy is defined here to include direct and indirect government interventions that affect decisions farmers and others make as they select power sources and the machines to be used with them.
85 pages. NIS 14.00 BK-0903

Sustainability Issues in Agricultural Development

These proceedings are the seventh in a series of records of Agriculture Symposia presented at the World Bank. This symposium examined sustainability issues in agriculture from three perspectives: institutional development, natural resources management, and desertification.
382 pages. NIS 37.00 BK-0909

Agricultural Marketing Strategy and Pricing Policy

The book is divided into two parts: marketing and pricing policy. The treatment includes experiences in planning and managing markets in developing countries, emotional issues involving ideological differences in market organizations and the participation of farmers in marketing decisions.
132 pages. NIS 23.00 BK-0930

Development of Rainfed Agriculture Under Arid and Semiarid Conditions

A critical subject area for about 70% of the world's farmers and a subject on which less has been accomplished in terms of achieving productivity gains in world agriculture. This fact coupled with the recent droughts in Africa make the subject even more timely.
NIS 37.00 BK-0917

To: Books, The Jerusalem Post, POB 81 Jerusalem 91000.

Please send me the book(s) indicated below. I enclose a cheque for NIS.....

- ☐ The Environment, Public Health, and Human Ecology NIS 27.50
- ☐ Desertification in the Sahelian and Sudanian Zones of West Africa NIS 9.20
- ☐ The Efficient Use of Water in Irrigation NIS 14.00
- ☐ Issues of Efficiency and Interdependence in Water Resource Investments NIS 14.75
- ☐ Community Piped Water Supply Systems in Developing Countries NIS 27.50
- ☐ Agriculture Mechanization NIS 14.00
- ☐ Sustainability Issues in Agriculture Development NIS 37.00
- ☐ Agricultural Marketing Strategy and Pricing Policy NIS 23.00
- ☐ Development of Rainfed Agriculture under Arid and Semiarid Conditions NIS 37.00
- ☐ Please send me a free catalogue of the World Bank publications.

Name

Address

City

Code

Tel. no.

Please allow 8 weeks delivery; all prices include VAT.

مكتبة الجليل

Continent is in trouble, says Perez de Cuellar

UN chief appeals for Africa

By CANDICE HUGHES
UNITED NATIONS (AP) - Africa is facing an economic crisis as deadly as drought and famine, UN Secretary General Javier Perez de Cuellar said Monday in an appeal for more aid to the beleaguered continent.

"Africa is in trouble," Perez de Cuellar said, urging reporters to bring its plight to the world's attention.

He said the situation is worse than it was 18 months ago when the United Nations devised a recovery programme in an extraordinary special session. Despite the UN initiative, aid to Africa actually declined last year, he said.

"I feel the process of recovery and development is in jeopardy in many, many parts of Africa," Perez de Cuellar said.

He attributed the crisis to falling commodity prices, mounting debt, worsening interest and exchange rates and insufficient development assistance.

Perez de Cuellar urged the international community to "act quickly to alleviate human suffering" in Africa.

"There is an urgent necessity for the donor community to translate its concern and commitment into immediate action and make available additional financial resources for the continent," he said.

The U.N. programme called for about \$45b. in aid by 1990, UN



Perez de Cuellar (Camera Press)

officials said Monday they do not yet know how much aid Africa has received since the programme began in May 1986.

But Perez de Cuellar said more resources are needed.

"Clearly, in a financial climate such as the one prevailing now, such transfers must be even harder to imagine," he said as world stock markets continued to fall and U.S. officials struggled with huge budget and trade deficits.

The non-binding UN recovery programme describes a partnership in which African countries would make domestic reforms with financial support from the international community.

"What causes me the greatest concern of all is the fact that economic deterioration has occurred despite the most courageous and far-reaching policy reform and belt-tightening efforts by African governments," Perez de Cuellar said.

In a report to the General Assembly, Perez de Cuellar said 28 African nations have "courageously" made what he called major policy changes such as reducing food subsidies and adding price incentives.

As a result, agricultural production increased by 3 per cent in 1986 and manufacturing rose by 5 per cent. But the fall in the prices paid for African commodities caused the continent's export income to fall by \$19 b., or nearly a third.

Meanwhile, Africa's foreign debt rose to \$200b. in 1986, the report says.

However, Perez de Cuellar said he does not believe the recovery programme is doomed. He expressed optimism that African nations are still committed to their reforms and negotiations on relief measures are ongoing.

Perez de Cuellar said he hopes world attention can be focused on the current economic crisis as it was on the devastating drought in 1983 and 1984. He appealed to reporters to "make the world aware that the economic crisis now facing Africa can exact a toll every bit as deadly as the drought."

Shiff hotels are placed in receivership

By GREER FAY CASHMAN
Jerusalem Post Reporter

Hotelier Haim Shiff, who has been suffering a liquidity problem for the past few years, owes NIS2 m. in taxes to the Jerusalem Municipality. The Jerusalem bailiffs' office last Friday placed his Jerusalem properties into receivership, and appointed lawyer Uri Ganor as the receiver.

Ganor is to manage the Diplomat, President and Orgil hotels and the Orgil Cinema. He is to be responsible for all finances until such time as the debt is paid off.

Unaware when initially contacted by *The Jerusalem Post* that there was a court order for the closure of the Diplomat Hotel, Ganor said he would investigate the situation and abide by the decision of the court. He has not been instructed to sell any of the properties, merely to manage them with the aim of recovering the money owed.

The Diplomat Hotel has been operating for several years without a business licence and Shiff and his son, Dudi, were recently threatened with imprisonment unless they signed an official document attesting that they would close the hotel.

Shiff subsequently denied any knowledge of his Jerusalem assets being taken over by a receiver, although *The Jerusalem Post* has it on good authority that the receiver has been in touch with him.

As for the closure of the Diplomat, Shiff said he was optimistic that the order would be rescinded and he was working towards that end.

Meanwhile, he has applied to the Bailiffs' Office to have the receivership rescinded. The case will be heard this coming Sunday. Ganor has been temporarily suspended from dealing with the Shiff properties, but even so, he has met with executive staff from both the Diplomat and President hotels to discuss future arrangements.

'Work-to-rule' hits all ports

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA.—The country's three ports have been plunged into turmoil by a crippling "work to rule" action of the 1,500 stevedores to back their 36 per cent wage claim. Since last Friday, for the second time this month, the men, who handle all cargoes, are doing only one third of their normal work.

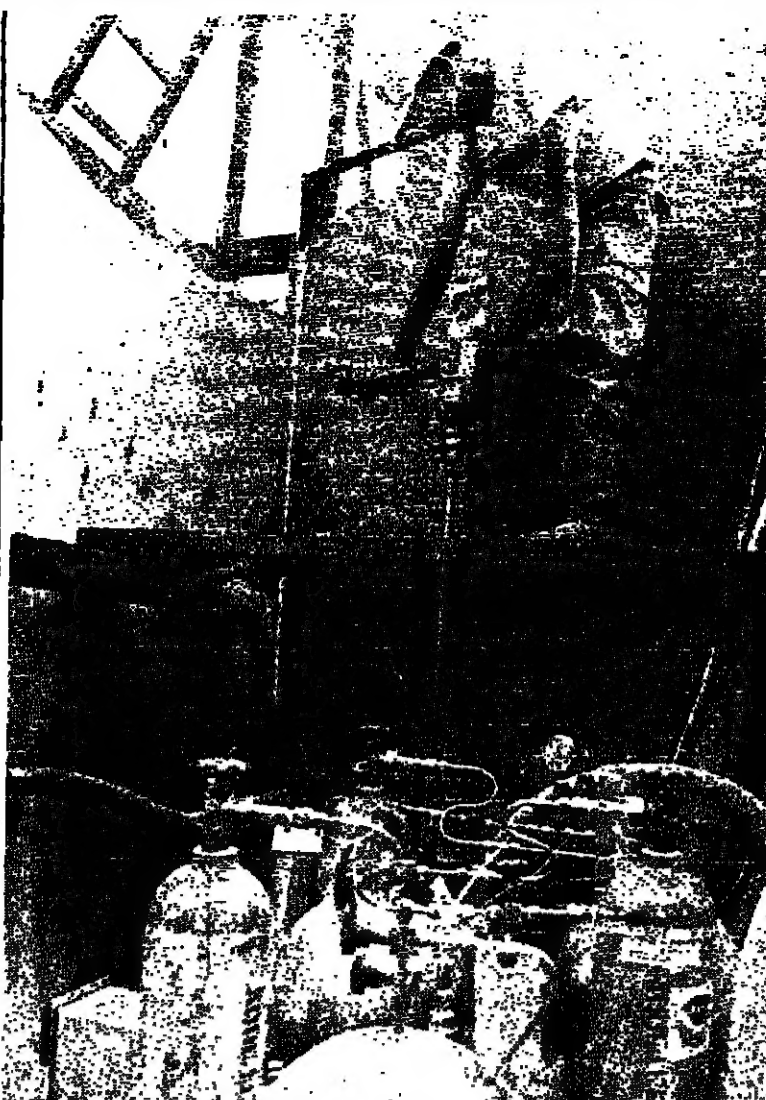
The Chamber of Shipping, representing the shipowners, reacted yesterday with the imposition of a hefty 10 per cent "damages surcharge" on all import cargoes, starting November 1, and five per cent on exports.

The Shippers Council, which represents the importers and exporters, immediately declared the intention illegal, on the grounds that only the Joint Congestion Committee, headed by the Director of the Shipping and Harbour Authority, is competent to approve congestion surcharges "and the damages surcharge is a congestion charge, under a different name." Council director Arye Mehalul told *The Jerusalem Post*. The Council has asked the committee forthwith to consider the situation.

Mehalul said the industrialists on the Council will prefer seeing the ports closed down rather than submitting to the wage demand "which would destroy the country's wage structure and ultimately be even more harmful than a halt to all imports and exports."

The situation is already serious in Ashdod harbour, but as the citrus export season is now picking up speed, the slow-down will quickly affect Haifa harbour too.

The Ports Authority, which says it is unable to grant the men's demands as it is bound by the government-Histadrut agreement on a NIS 75 wage rise in the public sector, which the stevedores have rejected, has appealed to the Tel Aviv Labour Court. That court on Sunday issued a back-to-work order, pending a fuller hearing tomorrow.



Dutch scientist Pieter Tans records data as special technician Bob Moores carefully drills through rocks toward a newly discovered chamber at the base of the Great Pyramid of Cheops. The project, sponsored by the National Geographic Society, will measure gases trapped for thousands of years in the sealed cavity. (AFP)

IMF reviewing Egypt's economic performance

CAIRO (Reuters) - Egypt's economic performance is under review by officials of the International Monetary Fund (IMF), nearly six months after a standby credit pact, with the signs suggesting a verdict of wait-and-see.

Western diplomats said the review which began this week, focusing on policies under an 18-month reform programme agreed last May, would probably be kind on Egypt.

For, despite conflicting economic signals, Cairo has been seen to be taking its commitments seriously. The review might be inconclusive because some figures the IMF experts need to assess hinge on slow-moving rescheduling negotiations with western governments on up to 10 billion dollars of Egypt's 40 billion-dollar debt, diplomats said.

In addition, policies are still on the drawing board as Prime Minister Atef Sedki, sworn in with a slightly-changed cabinet this month, prepares to announce its programme on November 14.

A holding verdict would give Egypt an extra six-month breathing space until another review due next spring, welcome because economic managers are already under time pressure. As a result of delays in talks under the umbrella of a May 22 accord with the Paris Club, grouping western creditor states, an October 31 deadline for conclusion will be missed.

Diplomats said neither the IMF nor the Paris Club would worry unless rescheduling deals were still unresolved next year. "October 31 is a piece of rubber now but no one seems too worried," a diplomat involved in debt talks said. "Everyone seems to be working to a deadline of end-December."

Egypt, backed by western sympathy because of its strategic location and role as the largest Arab country, appears unlikely to incur IMF wrath on the first review after their 325 million-dollar credit deal which led to rescheduling. "It took a long time to get Egypt to the IMF table. I don't think the fund will want to get tough too soon," a diplomat said.

Specialists said early signs from IMF scrutiny of Egypt's books last month were that Cairo was on its way to meeting targets set in May's accord, under which it received a

first 150 million-dollar slice of credits.

"The figures could look worse," a source with access to IMF documents said. During the policy review, to be completed by the end of November, IMF sleuths will examine compliance with secret performance criteria on the public sector deficit, credit and monetary policy — including progress towards unifying a multi-tiered exchange rate system — and balance of payments.

"Egypt says it is deeply committed to the process of adjustment but the question is one of pace," he said.

Caution and gradualism have been hallmarks of Sedki's 11 months in office since he was first appointed prime minister last November.

Some IMF preferences have been dropped as politically unworkable. The fund dropped early demands for scrapping of state subsidies, which contribute heavily to a 5.6 billion pound (2.5 billion dollar) budget deficit.

But experts say the team will study whether Cairo can raise prices of bread, fuel, electricity and other basics further and then take special steps to help the poor majority, rather than subsidising everyone as it largely does now.

IMF staff are expected to look especially at energy, and the impact of an uncertain price structure on investment.

Further moves to free the pound's exchange rate, fixed by the central bank until May and now set daily by banks, will come under study though dramatic new action looks unlikely.

Experts predict that one artificial rate for the pound — about 1.70 to the dollar, used for customs duties — is likely to be allowed to rise towards the banks' rate, currently 2.22, over the next six months.

Ya'acobi pressing his 'one-stop' idea for businessmen

By JEFF BLACK
For The Jerusalem Post

Economics Minister Gad Ya'acobi intends presenting a new scheme to the cabinet in the near future to replace the stillborn one-stop station plan which was designed to ease the difficulties facing foreign businessmen wishing to invest in Israel.

Ya'acobi last year won cabinet approval for the one-stop station idea, which was originally proposed by the Operation Independence Task Force, but since then nothing has been done to transform the plan into reality.

Economics Ministry officials said yesterday that opposition from the Industry and Trade Ministry was the major reason for the plan gathering dust. The programme called for the establishment of an office at the Industrial Development Bank which would provide a single adviser and a local adviser for any potential investor who needed help in overcoming the country's bureaucratic maze.

The Industry and Trade Ministry, for their part, claimed that this centre would merely create yet another body to deal with investors rather than streamline the existing bureaucracy.

Ya'acobi's new suggestion involves establishing an investment council at the Industrial Bank, headed by an independent businessman, which would include representatives from all the different bodies currently dealing with foreign investors.

Alongside this council, a smaller, three-man professional office would be set up to deal with the potential investors' proposals. This office's task would be to examine the investors' proposals before passing them on to the full council for authorization.



Gad Ya'acobi (IPPA)

Ya'acobi said yesterday the council would have to give their reply within a month and that this would therefore speed up the current investment procedure.

Task Force leaders have not hidden their disappointment at the failure of the one-stop station plan and are expected to raise this issue.

Student accounts

Jerusalem Post Reporter

Bank Leumi is offering newly improved account management conditions for students.

Those who have "Daily Student Accounts" can now receive a NIS 2,500 loan with reduced interest rates under either of these two conditions: an index-linked loan with 6 per cent yearly interest (approximately half of usual rate for linked loans); an unlinked loan with 2.25 per cent yearly interest. These are two-year loans, of which repayment of the principal for the linked loan begins one year after receivership.

At the end of studies, students are eligible for larger loans with similar conditions: B.A. graduates are eligible for NIS 3,000 loans; M.A. graduates for NIS 5,000; Ph.D. graduates for NIS 7,500.

Teaching businessmen the tricks

By KEN SCHACHTER
For The Jerusalem Post

TEL AVIV. — When the home goods and garden furniture store opened in Herzliya Pituach a few years back, it looked for all the world like a success. Its owner, a native of South Africa, knew his stock and was attentive to his customers. The store even was profiled in a magazine and the owner was praised for his business acumen.

Then came the decision to move to a larger store with a higher rent, and things began to unravel behind the Green Door.

"The moment he tried to grow, he couldn't handle it," said Martin Lewak, a certified public accountant. "He opened a wonderful store. It was beautiful. But for a store like that, you need traffic. He was seduced by growth."

Ultimately, the entrepreneur lost about \$250,000 and went back to

South Africa, Lewak said. And Lewak's accounting firm lost a client.

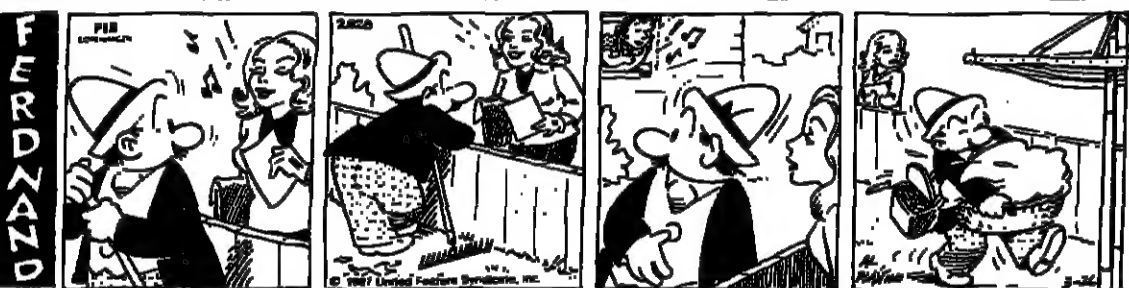
After observing a number of similar cases in which faulty decisions cost small businessmen their investments, Lewak decided to create an advisory service. That service, Revach - Private Enterprise Development Centre Ltd., offers courses designed to help entrepreneurs skirt the pitfalls facing small businesses in Israel.

"We saw how small businesses opened up and closed because of poor management. Nobody likes investing \$10,000, \$20,000 or \$100,000 and losing it," Lewak said. "We got tired of losing clients."

In May, Revach began offering courses that include topics such as marketing and selling, finance and business structures and business planning.

Indeed, planning, he said, frequently is the Achilles Heel of Israeli businessmen. "People do things in Israel by improvisation," he said. "They don't prepare. The first thing they need is a business plan. None of them do it." Given the crucial role of timing in starting a business, he said, proper preparation would convince many prospective small businessmen to postpone, or simply drop, plans to open.

Another common problem, he said, is that Israeli businessmen spread themselves — and their bankrolls — too thin by trying to take care of all phases of the business in-house. "Everybody here kills themselves with overhead because they go outside their specialty," he said. For example, a businessman might be inclined to buy a computer and hire a bookkeeper when an outside firm could do a better job at a lower cost.



CROSSWORD

ACROSS

- 8 Trifling amount of foreign currency I'd brought back with me (4)
- 9 Timid female in need of pastoral care (3)
- 10 Jubilant newspaper chief chasing a revolutionary story (6)
- 11 Putting up a fight for containerisation? (6)
- 12 Reducing standards with a scowl, apparently (8)
- 13 A city man's address book (6,9)
- 15 Guard against unfair competition (7)
- 17 A learner of French taken in by a showy performance (7)
- 20 Part-time workers who don't appear to be concerned (6,9)

DOWN

- 23 Channel Island tree, reputedly the bravest of the brave (8)
- 25 A conference of tribesmen from Ibadan? (6)
- 26 Big run on a famous Swiss bank (6)
- 27 Eggs put into venison pie, maybe (3)
- 28 Has a meal in style at some restaurant (4)

Under attack in more ways than one (7,3,3)

- 5 Some gold held up for Captain Flint in "Treasure Island" (6)
- 7 Underprivileged South American labourer with nothing to write about (4)
- 14 Lost no time putting up for election (3)
- 16 A valley that's the reverse of dry (3)
- 18 A crime that is more dastardly than daylight robbery? (4,4)
- 19 Plunging neckline for a senior girl guide, possibly (7)
- 21 Apprehensive of difficulty? (6)
- 22 A priceless concession? (6)
- 24 A noble king with unusually old entourage (4)

Yesterday's Solution

PACANINI URGIN
A T I O G A O
TURNED ON STOLEN
UN L N A L E
AT O A N O W
S H S E V D T
R N E N C M R G
ULCERS MONORAIL
G R I T T Y G A S L E N E
L E R A S E N
ERNANI ADHERENT

QUICK SOLUTION

ACROSS: 7 Print, 8 Philip, 10 Non-stop, 11 Irate, 12 Chef, 13 Agree, 17 Curled, 18 Cosh, 22 Leech, 23 Toddler, 24 Morley, 25 Spruce. DOWN: 1 Spinach, 2 Pinocchio, 3 Suite, 4 Citizen, 5 Clear, 6 Speed, 9 Spaghetti, 14 Push Off, 15 Fall Out, 16 Charter, 19 Climb, 20 Ready, 21 Adept.

QUICK CROSSWORD

ACROSS

- 1 Slows down (5)
- 4 Quarter (6)
- 7 Bankrupt (9)
- 9 Nurse (4)
- 10 Weapons (4)
- 11 Yell (5)
- 13 Japanese unarmed combat (6)
- 14 Price of freedom (6)
- 15 Taking dinner (6)
- 17 Purlious (5)
- 18 Curtain (5)
- 20 Pluck (4)
- 22 Boutique (4)
- 23 Finisher (9)
- 24 Flower (6)
- 25 Be unlike (6)

DOWN

- 1 Hungarian composer (5)
- 2 Sort (4)
- 3 Assuage (6)
- 4 Act of kindness (5)
- 5 Done in forearm (4)
- 6 Two-wheeled cab (5)
- 7 Inherent (9)
- 8 Pickaninny (9)
- 9 Highland clan (9)
- 11 Position taken (5)
- 12 Savour (5)
- 13 Pertinacious (6)
- 16 Italian brandy (6)
- 17 Become bigger (6)
- 18 Late meal (6)
- 21 Implement (4)
- 22 Villain (4)

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Wednesday, October 28

Jerusalem: Meni, 202 Yafa, 223048; Belsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dar Aldawa, Herod's Gate, 282058.
Tel Aviv: Lev Ha'ir, 69 Ahad Haam, 813552; King George-Kupat Holim Macabi, 25 Hemelech George, 282650.
Ra'anana-Kfar Sava: Arza, 36 Ostrovo, Ra'anana.
Netanya: Maxim, 2 Solomon, 617836.
Kiryat Gat: Niv Kiryat Ata, 18 Hankin, Kiryat Ata, 721855.
Haifa: Kiryat Eliezer, 6 Kikar Meyerhoff, 511707.

DUTY HOSPITALS

Jerusalem: Shimon Zedek (pediatrics), Hadassah Ein Karem (internal, surgery, ophthalmology), Hadassah Scopus (obstetrics, orthopedics), Bikur Holim (ENT).
Tel Aviv: Rofah (pediatrics, internal, surgery), Lanidod.

FIRE

In emergencies dial 102. Otherwise, dial number of your local station as given in the front of the phone directory.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 524444, Kiryat Shmona 4444.

FLIGHTS

24 - Hours Flight Information Service: Call 03-5712484 (multi-line), Arrivals Only (Tapped Message) 03-581111 (20 lines).

FIRST AID 101

Magen David Adom
In emergencies dial 101 in most parts of the country. In addition:
Ashdod 51332 Jerusalem *523133
Ashkelon 23333 Kiron 344442
Bat Yam *551111 Kiryat Shmona *96233
Beer Sheva 74767 Nahariya *823333
Carmel *988555 Netanya *23333
Dan Region *761111 Petah Tikva *923111
Elat 72333 Rehovot *561333
Haifa 522333 Rishon LeZion *62333
Haifa *512233 Safed 930333
Hatzor 936333 Tel Aviv *5460111
Holon *03133 Tiberias *790111

Mobile Intensive Care Unit (MICU) service in the area, around the clock.
Eran - Emotional First Aid, Tel. Jerusalem 227171, Tel Aviv 5461111 (children/youth 03-261158, Haifa 672222, Beer Sheva 418111, Netanya 56316.
Rapo-Cole Centre (24 hours), for help call Tel Aviv, 234818, Jerusalem - 245554, and Haifa 660111.

The National Poison Control Centre at Rabin Hospital, phone (04) 525025, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433000, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

WILL YOU BE ONE OF THE LUCKY THREE TO LIVE IN A LAMED HAYERUKA PENTHOUSE

Lamed Hayeruka is located in the midst of "Tochnit Lamed" section on Bura St.

The spacious penthouse apartment has on the same level a huge garden balcony (70-80 sq.m.) Some of its features:

Independent air conditioning (cooling and heating) • special thermal insulation. • Electrically operated shutters and marble chip floor in the living room. • Modern design windows. • Closed circuit TV. • Satellite antenna dish. • Concierge flat and maintenance company.

A 7.5 dunam park at Lamed Hayeruka, will be registered in the Land Registry as collective asset owned by the resident. The land is privately owned.

At Lamed Hayeruka you have the advantage of town living; saving yourself traffic jams.

* (A few 4.5-5 room flats are still available)



אורון
רובינשטיין
ובני

Shikun Ovdin,
Tel Aviv Yeh Eliyahou,
58 Laguardia St. Tel. 03-39 07 21

A PROJECT OF HAYARKON CO. LTD.,
YARKON DEVELOPMENT CORPORATION

Details and sales:

אורון
רובינשטיין
ובני

Aharon Rubinstein and Sons Ltd.,
6 Ahuzat Bayit St., Tel Aviv,
Tel. 03-655050, 03-653322

Nissim spurns farmers

Finance Minister Moshe Nissim rejected demands by the kibbutz and moshav movements that the government underwrite their debts to the commercial banks, at yesterday's meeting of the Knesset Finance Committee. Meanwhile, outside the Knesset, the protest camp set up by moshav and kibbutz members entered its third day.

The farmers claim such a guarantee would provide a solution to their \$2 billion debt problem. A bail-out scheme for the moshavim, involving the commercial banks, the government and the Jewish Agency had been approved by the Knesset Finance Committee in the summer, but has so far not been implemented as the banks have refused its terms.

Nissim told the committee that the commercial banks know they will have to write off part of the farmers' debts over and above what was decided this summer, and that this was the real source of the present stalemate. He added that talks about a possible government underwriting would only spread illusions, and make an arrangement more difficult.

Likud members of the committee charged that the kibbutz and moshav protest camp was a conspiracy with the banks to secure government guarantees for the debts, contrary to cabinet and finance committee decisions.

MK Ariel Weinstein, head of the committee's Likud faction said: "It has become clear that the banks are working hand-in-hand with the agricultural establishment to secure a government guarantee, while the government and the finance committee believe that debts have to be paid."

Asked about the delay in the setting up of regional units to administer the government's aid programme to farmers, Weinstein replied: "You can't hand out a billion dollars in government aid just like that. Anyone who expects the committee to allocate money without anybody ensuring that the committee's decisions are adhered to, is deluding himself."

Shlomo Leshem, the spokesman for the kibbutz and moshav movements, said Weinstein was deceiving the public, and not for the first time.

It was not the kibbutz and moshav organizations who were responsible for the crisis in agriculture, he said, but years of financial and economic misrule by the Likud.

"The government has made an agreement to alleviate the plight of the agricultural sector," Leshem said, "but Finance Minister Nissim, from Weinstein's party, is delaying its implementation with excuses and new conditions, and in the meantime the debts of the farmers are swelling."

Leshem accused Weinstein and his Likud colleagues of playing politics by punishing the kibbutz and moshav movements because of their association with the Labour movement.

The Likud received no support from the Farmers' Association, an organization of private farmers associated with the Likud, which joined the kibbutz and moshav movements in their tent-camp. Association director-general Shlomo Reisman told The Jerusalem Post that it was government policy, and not the "agricultural establishment," that had caused the crisis.

Matam chain will provide the goods

By KEN SCHACHTER

TEL AVIV. — Some 1,400 consumers are expected to receive appliances they ordered from the bankrupt Matam chain, under an agreement announced yesterday by the Israeli Consumer Council, the moshav movement and the liquidator of the consumer-goods stores.

The NIS2 million settlement was hammered out 10 months after the financially troubled chain, with branches in Tel Aviv, Jerusalem, Haifa, Beersheba and Kiryat Gat, suddenly closed its stores.

Under the plan outlined at a Beit Sokolov press conference, each consumer will have to add 25 per cent to the purchase price before receiving the appliance. Almost 1,000 of Matam's customers had ordered refrigerators.

Attorney Daniel Ernst, legal advisor to the quasi-governmental Israel Consumer Council, represented about 1,300 of the 1,400 consumers in the settlement negotiations. The settlement, he said, still must be approved by the Tel Aviv District Court, but consumers could start receiving their goods within weeks.

"This is a very good settlement," he said. "The alternative is not to get anything."

Under the plan, the moshav movement will contribute NIS1 million to the settlement and the banks will provide the remainder, with Bank Mizrahi putting in the largest share, \$500,000.

Ernst stressed that the settlement would not come from the pockets of creditors, who are owed about \$60m. The moshav movement, he said, contributed out of "a sense of public responsibility."

Some Matam customers could be receiving appliances "within a few weeks," he said, while others, particularly those who ordered goods that are out of stock, may have to wait several months.

Each case has to be evaluated individually, he added, as some consumers paid in full and others just left a down payment.

"This market has got strength. It is the number one big liquidity market in the world."

In Sydney, the key share index fell sharply yet again in spite of Tokyo's and Hongkong's examples, shedding a further seven per cent of its value to end 91.9 points down at 1,323.1.

But some Sydney brokers said they detected some cause for optimism.

"We must have just about bottomed out and I wouldn't be at all surprised to see upside movements after today's performance," said one broker yesterday.

First International profits up by 59%

Post Economic Staff

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

while, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

First International Bank posted a pre-tax operating profit of NIS79 million for the first three-quarters of the year, according to a consolidated statement released yesterday, an increase of 59 per cent compared with the same period last year.

The unaudited statement also showed that in the same period net profit increased 119 per cent to NIS32.5m. Retained equity, meanwhile, increased by NIS9m. to NIS312m.

The gross yield on retained equity, calculated at an annual rate, amounted to 37.5 per cent, the statement said. For the same period a year ago, pre-tax profit was NIS49.9m.

Net proceeds on retained equity was 15.3 per cent figured at an annual rate. During the same period in 1986, net profit was NIS14.8m. and the net yield stood at 7.1 per cent.

TOKYO (Reuters). — The stock markets of Tokyo and Hongkong broke out of the global downward spiral yesterday, rising in spite of Monday's dramatic falls in New York and London.

The Tokyo market, the world's largest, climbed 632.4 points to 22,344.96, recovering more than half of Monday's 1,096.22 fall, and one broker said: "Tokyo is now leading Wall Street. This market is preventing the domino-like fall in world stock markets." The Hongkong market, which lost 33 per cent of its value in Monday's panic-stricken sell-off, dropped a further

Asian shares bounce back

11 per cent after opening but quickly rebounded and at the end of the day had risen 156.05 points to 2,397.74.

Hongkong brokers said massive share purchases by big local investors, succeeded in pulling the volatile market out of its dive.

Just before the opening, the Hongkong authorities also came out with a couple of announcements aimed at boosting confidence in the stock market, closed for four days last week due to fears of a collapse.

Leading Hongkong banks cut their prime lending rate and the government said it would pump in more money to prop up the ailing stock futures market.

Tokyo brokers said rumours that the Finance Ministry had asked life-insurance companies and trust banks to buy shares had helped lift their market.

Hongkong's performance also helped Tokyo.

"The rebound in Hongkong

stocks cheered investors here," said a broker at New Japan Securities. "The falls over the last week have caused a vacuum which is sucking in buyers."

The Tokyo stock market has fallen least of all the world's major markets and brokers said this underlying strength was at the heart of yesterday's rise.

"With a little signal (of a rebound) from New York, Tokyo can take off," said a foreign broker.

Treasury's new wage chief:

Higher wages will cost people's jobs

BY AVI TEMKIN

Post Economic Reporter

About half of the civil servants on the standard public sector pay scale are in the three lowest-paid grades, the Treasury's new Wage Director Ya'acov Danon revealed yesterday. This pay scale covers most of the country's 180,000 civil servants.

Danon said the solution to the problem of low wages and low productivity in the public sector was to reduce the number of civil servants, using the money, thereby saved, to raise the salaries of those remaining. Everybody, including the Histadrut, understands this, he said. He added that such a clause had been included in the collective public sector wage accord signed last month.

But Danon said such a reduction cannot be achieved just by not replacing workers who leave for retirement. Any system needs fresh blood, he said. He added that by freezing the employment of new workers, managers would be discouraged from dismissing unproductive workers because of the fear that they would not be able to hire replacements.

The total wage bill for the public sector including pension payments, amounts to NIS 11.5 billion a year,

Danon said. This means that every one per cent increase in wages costs an extra NIS 115 million.

Danon said a joint Histadrut-Treasury committee will soon start their discussions concerning the structure of the civil servants' pension system. The team will concentrate on deciding which wage elements will be pensionable, how monthly pension payments will be calculated and to which index they will be linked. The committee will also decide on the rate of compensation due to pensioners to cover the previous erosion in the value of their pensions.

As far as a transition to a five-day work week is concerned, Danon said this will be implemented during the year covered by the 1988 wage agreement. He said a joint Histadrut-employers committee will begin discussions next month on how to implement this move.

Histadrut officials said last night that this agreement proved that the engineers and academics unions, despite their call last week for a new labour confederation to represent professional unions, realised that they needed the Histadrut's backing to achieve their goals.

U.S. CUTS

Continued from Page One

he said, "and this is not something you can solve with words and whistles."

In the wake of the cancellation of the Lavi project, senior administration figures assured Israel that there would be no cut in the economic and military aid packages to Israel - despite the passage in Congress of the Gramm-Rudman amendment calling for the administration to cut foreign aid appropriations by 8.9 per cent.

The sources said that despite the Wall Street crisis and the pressures on various congressmen and administration figures, the administration will honour its assurances to Israel and Israel will receive the full projected aid package.

But Israeli officials nonetheless are pressing the administration to speed up the transfer of the aid funds for the current year to Jerusalem. It is hoped here that most of the funds will reach Israel in the coming weeks.

The high-level effort to stifle comment on the question of U.S. aid was made plain on Sunday when, sources in Jerusalem said, the Foreign Ministry instructed the Israeli Embassy in Washington to refrain from any statement that could lead American officials to believe that Israel is willing to accept a cut in American economic or military aid.

In his Knesset comments, Shamir said: "Nobody ought to volunteer to give up any part of the U.S. aid package. Nobody should even mention the possibility."

Shamir's hearers linked this remark with a report in one newspaper that Israel's ambassador in Washington, Moshe Arad, had sug-

gested that Israel offer to take a cut in aid. The report was later denied. Israeli officials and their supporters are hoping that Reagan and the congressional leadership will manage in the coming weeks to come up with an agreement to avoid any across-the-board cut.

The crisis has erupted because of the projected \$23 billion federal budget deficit for the 1988 fiscal year, which began on October 1. Unless Reagan and Congress can find a way to reduce the deficit by \$23 billion, the Gramm-Rudman provisions will go into effect as a matter of existing law.

There have already been calls for a selected \$11 billion budget cut coupled with a \$12 billion increase in taxes and other revenues. But Reagan, for the time being, is still opposing any tax increase whatsoever.

Even if sequestering can be avoided, Israel may still wind up losing some of the \$1.2 billion in economic aid and \$1.8 billion in military assistance included in the 1988 foreign aid legislation. But any such non-sequestered cut, congressional and administration experts said, presumably would be less than the nearly \$150 million projected under Gramm-Rudman.

Forced implementation of the Gramm-Rudman law, congressional observers said, could trigger an even more serious market crash as investors would almost certainly tend to lose even more confidence in the American political leadership.

But as one Israeli Embassy official commented yesterday on the ongoing budget negotiations: "It's still anybody's guess. The outcome is very much up in the air."

Ari Rath
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frenkel
Editor

Ell Noy General Manager
Shalom Weiss Treasurer
Avraham Levin Advertising Manager
Yosef Haim Press Manager
Ray Lewis Circulation Manager
Daphne Raz Manager, North America

David Landau Associate Managing Editor
David Gross Associate Managing Editor
Yaakov Reuel Editor-in-Chief
Shalom Cohen Deputy Editor
Hanan Sher Supplements Editor
Joanna Yehiel Magazine and Feature Editor

Founded in 1932 by GERSHON AGRON, who was Editor until 1955; Editor 1955-1974
TED LURIE, Editor 1974-1975 LEA BEN DOR, EDITORIAL OFFICES AND
ADMINISTRATION The Jerusalem Post Building, Jerusalem P.O. Box 81
(91000) Telephone 551616, Telex 2621, Fax 551636, TEL AVIV 9 Rehov Carlebach,
POB 20126 (61022) Telephone 59422, 28231-4 (fax lines) Fax 203528, HAIFA 16 Rehov
Nordau, Hader Hacamel, POB 810 (3107) Telephone 64544 Fax 64546 Published
daily, except Saturday, in Jerusalem, Israel by The Jerusalem Post Ltd. Printed by The
Jerusalem Post Press in Jerusalem. Registered at the G.P.O. © The Jerusalem Post 1987.
Reproduction, or storage in a retrieval system, or any other form, is prohibited without
permission.

Lessons from the fall

THE PLUMMETING of share prices on Wall Street 10 days ago, renewed this week, has had one immediately beneficial result. It has sparked a new Great Debate on the subject of the state and the economy, and has already made respectable an iconoclastic rethinking of the conservative doctrines that came to underlie official policies on both sides of the Atlantic during the present decade.

Billionaires and academics now suddenly find themselves in agreement that the slide started on "Black Monday" was no fluke, and that something is the matter with the American economy which requires more than tinkering to set it right. The trouble, verging on disaster, in financial markets is widely being traced to the notion that reduced taxes will soon enough generate sufficient economic activity, and therefore tax revenue, to make up for transitory government deficits. The theory is no longer taken on faith that high interest rates, which help beat down inflation, but turn the U.S. from a major exporter into a leading importer, and from the world's creditor into a debtor, are the right economic medicine.

The U.S. budget deficit has served the purposes of nations such as West Germany and Japan very nicely, for their own top-sided prosperity has fed upon it. Now, however, it is being recognized in Washington that, if the looming recession is not to turn into a fully-fledged depression, a drastic contraction of the deficit is imperative. This means either a huge cut in federal spending, on the military or the civilian side, or a tax rise, and possibly both.

President Reagan has already indicated readiness to confer with congressional leaders about an agreed programme directed to that end.

A U.S. budget cut could not fail to affect Israel, which currently receives by far the biggest slice, in both absolute and per capita terms, of America's foreign aid appropriations: about one-fifth of the total of \$13.5 billion. It would in fact make a sizable Israeli budget cut in the coming year well-nigh inevitable, even on top of the half-billion dollar reduction independently planned by the finance minister, Moshe Nissim.

Since the Treasury's knife has already pared the civilian budget to the bone, any further meaningful cut in government spending could only be at the expense of defence. This is bad news, not only to the military but to the nation as a whole. But there may be little to be done about it except to take it in good grace, push forward with existing plans for a smaller, leaner and more effective IDF, and trust that the loss of some U.S. funds will be offset by the Arabs' declining financial ability to rearm.

The prospect quite understandably does not recommend itself to the defence minister, Yitzhak Rabin. The unchecked drop in the value of the dollar has already decreased the contribution of U.S. military aid to the country's security, and a reduction in the size of the military aid package itself will be mostly unwelcome. Mr. Rabin is therefore utterly opposed to any suggestion that Israel voluntarily forgo a portion of next year's aid; and on this he has Mr. Nissim's full support.

The suggestion has indeed been made and a precedent two years ago has been cited, when the Treasury returned \$52 million in aid that would in any case have been returnable under the Gramm-Rudman amendment. Israel has a vested interest in keeping U.S. aid at its present real level, but it does not after all have an acquired right to it. Making a gesture of goodwill, however painful, towards a munificent friend in need is arguably preferable to an angry digging in of the heels, especially when the outcome is likely to be the same.

True, there is some danger that such a gesture will be interpreted to mean that this country can easily do with even a little less aid than it now receives. Ministers who believe the danger to be real need not, however, fall into the trap of expecting their advance vocal protest to neutralize it. The notice served two days ago by Ambassador Thomas Pickering when he publicly referred to the possibility of an aid cut, should suffice for a warning.

There are better ways than rushing into a hopeless fight to cope with the emergency that may arise as a result of reduced U.S. aid cuts and a shrinkage of the American market. The government should promptly devise tough new economic measures of its own and embark on a search for new outlets for Israeli exports in lands so far largely neglected.

Orthodox approaches will no longer do. This is the one sure lesson to be derived from the financial events of the past month.

THE MORNING AFTER

Vladimir Slepak arrived in Israel without half as much fanfare as the receptions given Natan Sharansky or Ida Nudel. No red carpet on the tarmac, no national unity government jockeying for position outside the airplane door.

Slepak's departure from the USSR may in the long run be as - if not more - historically significant than those other two famous former refuseniks; for he is the last of the secular Jewish leadership which has patiently and courageously demanded the right to go to Israel.

Henceforth, those arriving - a few to fanfare, most to the lonely Absorption Ministry waiting-room at a midnight Ben Gurion Airport - are likely to belong to a different category of Soviet Jews.

Religious-nationalists, with little or no affiliation with the human rights' movement in the Soviet Union - their leadership embodied in such men as Yosef Begun, whose demand for emigration originated more from concern with religious-nationalist freedom, rather than political-nationalist freedom.

Jews arriving in Israel at the rate of about 70 a week, which is about 20 per cent of those leaving the USSR weekly, say that among young Soviet Jews religion has become the primary motivation for any Zionist activity rather than general agitation for the right to emigrate.

The historic division symbolized by the difference between Slepak and Begun, between those whose origins in the emigration movement were secular and cultural and those whose origins were religious, is part and parcel of a much larger division that exists deep in Israeli consciousness. That division is over the definition of Israel, a Jewish state or a state for Jews.

Like Sharansky and Nudel, Slepak will likely continue the struggle for Soviet Jewry's right to emigrate. In Israel, the struggle is over the nature of the society to which they hopefully will come.

ROBERT ROSENBERG

DIASPORA

(Continued from Page One)

and rejected was "improper and violated past precedents."

The WZO Executive convened last night to discuss a proposal submitted by Labour and its allies, which would call on the fund-raisers to review WZO candidates for agency posts by a different procedure.

Sources in the fund-raiser camp said that their opposition to Lewinsky was firm and long-standing,

and that Labour had been warned not to put him up as a candidate.

Labour took the Likud by surprise last week by putting together a bloc for the forthcoming Zionist Congress that comprises two-thirds of the delegates. This bloc is composed of Labour, Mapam, the Confederation of United Zionists (Hadasah), and the Reform and Conservative Zionist organizations.

Cairo should cut the Ras Burka knot

Benny Morris

JUST OVER two years ago, an Egyptian security man gunned down seven Israeli tourists on the Ras Burka beach in Sinai. It was a private act by an Israeli-bater, perhaps motivated by Islamic fundamentalist or Egyptian "patriotic" impulses.

Suleiman Khatar was put on trial by the Egyptian military, sentenced to life imprisonment and subsequently died in prison. It was said that he had committed suicide.

But in October 1985, Khatar was a sergeant, on duty, in Egypt's security police. That being so, some form of responsibility for his actions also devolved upon his employer, the Egyptian government.

The Ras Burka incident was interwoven by Israel into the fabric of the Tabar arbitration, and after months of cajolery, President Hosni Mubarak, as a gesture to then prime minister Shimon Peres, last year conceded Egypt's "responsibility" for Khatar's actions. He agreed to "the principle of compensation" - that is, that Egypt should make a financial award to the families of the victims, who included women and children.

BUT NOTHING has really happened since then.

Cairo has insisted that Israel and the victims' families abide by Egyptian law and convention and submit a compensation claim to an Egyptian judicial tribunal, specially set up last month for this purpose. The Egyptians maintain that the matter is judicial, and that it is improper for the executive to usurp the functions of the judiciary.

The Israeli families, for their part, have demanded that the nature and level of the compensation be negoti-

ated directly between the two governments. They argue that the issue is crystal clear, and that it is demeaning for them to appear in the guise of appellants seeking favours from Egyptian lawyers and judges. (Egypt's legal profession has been among the most anti-Israeli and anti-peace groups in Egyptian society.)

Moreover, the families fear that the tribunal will follow internal Egyptian compensation precedents, which are low, and that the award will be of a humiliating nature.

They and the Israeli representatives who have been negotiating on their behalf have suggested that the award conform with the standards and precedents set by Israel in "mis-haps" such as the strafing of the U.S. Navy intelligence vessel Liberty in 1967; the destruction of the Libyan airliner over Sinai in 1973; the killing of the French technician in the 1981 raid on the Baghdad nuclear reactor; and the recent killing of an Irish Unifil soldier by IDF tank fire.

It is unclear whether Egypt has agreed, as some Israeli officials maintain, that the families will be able to appeal against the Egyptian judicial tribunal's award, should they find it unacceptable, or whether the Egyptian government will be in a position to overturn the tribunal's decision after such an appeal.

So the families have refrained from submitting their claim, and two years have passed without Egypt making compensation to the families of the Ras Burka dead.

Repeated American efforts, including one 10 days ago by Assistant Secretary of State Richard Murphy, to persuade the Egyptians to budge, have proven fruitless.

IT SEEMS THAT the Egyptian government has dug in its heels because of a principle (the separation of judicial and executive powers) and out of fear of appearing in internal opposition and Arab-world eyes - soft on Israel. Egypt's poverty doesn't come into it. The potential sums involved - several hundred thousand dollars - are not large. And there is a possibility that an international fund will be set up to help Cairo make up the difference between a "low" tribunal award and a "high" government award.

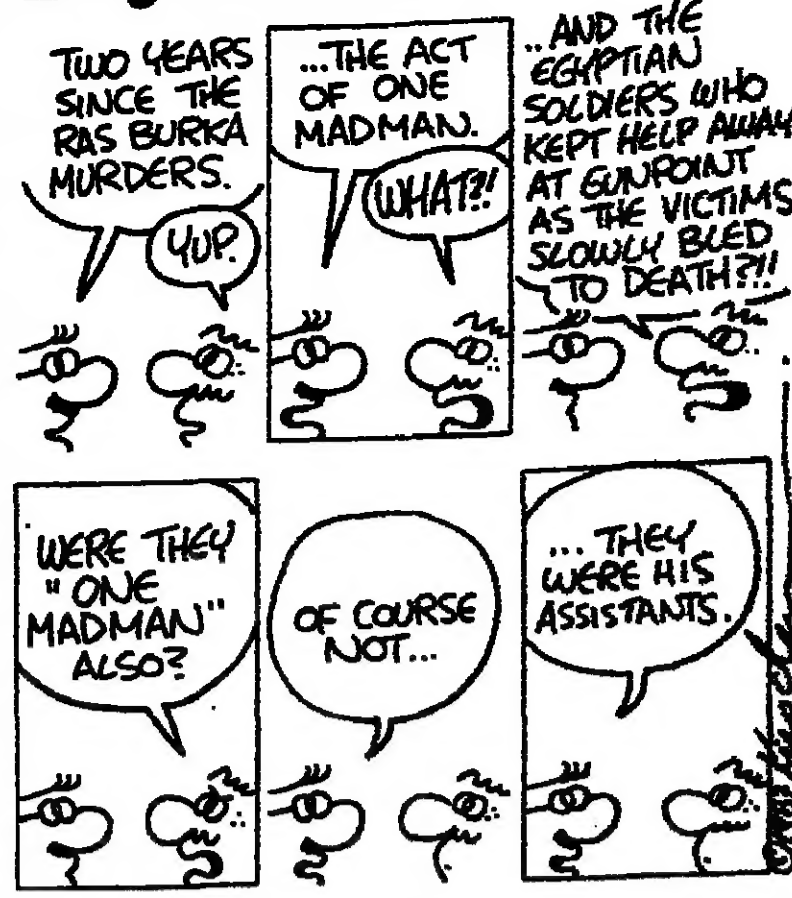
The Egyptians are right in arguing, regarding compensation, that the act of one madman, albeit in government employ, cannot be compared to state-initiated actions, such as the above-mentioned Israeli incidents.

Cairo has shown, and is continuing to show, massive insensitivity. The present deadlock could go on for years - years in which, put simply, Egypt will have failed to pay compensation to the massacre victims, as it has promised to do. To the stain on Israel-Egyptian relations of the 1985 massacre itself has been added the continuing, growing strain of the non-payment of compensation.

So long as the issue is not resolved, right-wingers and anti-peace activists in Israel will have a ready, handy source of anti-Egyptian argument and, no doubt, when it is opportune, will trot it out. The matter will fester like a sore.

It is probably tempting for Egypt-

Dry Bones



tan Foreign Ministry officials to view the compensation issue as one of the outstanding, unresolved normalization of relations questions between the two countries. Thus, a concession on compensation could conceivably be traded against an Israeli concession on Deir al-Sultan or Camp Canada.

But such an attitude towards the compensation issue would be unfeeling and improper. Because of the nature of the incident, Ras Burka never was and never should be regarded as just another "normalization" problem. Mass murder is something altogether different. Mubarak recognized this when he made his gesture to Peres, conced-

ing the principles of responsibility and compensation. An issue remains only the mode of award.

Those in Egypt interested in continued good relations with Israel, and in elementary justice, should move swiftly to cut the knot and resolve the issue. Mubarak's promise should be made good. Reactions by the Egyptian opposition and the Arab world will probably be minimal and ephemeral.

The level of compensation could be settled in one short meeting between the legal advisers of the two countries' Foreign Ministries. Only then will Ras Burka be laid to rest.

The writer is The Jerusalem Post's diplomatic correspondent.

THE CASE FOR ARAB INTEGRATION

Can Israel win where Ireland lost?

Robert Porter

ism. Eventually, they dominated the region and drove the indigenous Catholic population further south.

After five years of a war of independence waged with England by the Irish Republican Army, London decided in 1921 to give the whole of Ireland its independence. But it was coerced by Ulster Unionists, led by Edward Carson, into granting the partition of the island, so that Ulster Protestants could maintain a "union" with Britain in six counties of the north-eastern province. So Ireland was divided into two nations: the Republic in the south; and Ulster, which maintained its link with England.

The Ulstermen, however, were fiercely defensive, feeling threatened by the Republic, which did not officially recognize Ulster; and by the Catholics within the Ulster community, who had become identified with the Republican movement.

As a result, the Catholics were treated with scant respect: they fell into ghettos, and were forced into menial jobs. The middle classes were invariably Protestant, and elections were rigged to prevent any possibility of the election of a Cath-

olic into government.

In 1968, a Civil Rights movement was formed, and by 1969 Catholic frustration had overflowed into violent protest. Ironically, the army was called in to protect the Catholics from a potential backlash from Protestant extremists. But by that time the Provisional IRA had seen its chance, and the history of the present conflict began.

THE POINT FOR Israel is this: in Ireland and Israel there are two populations locked in conflict, both of whom believe a certain area of disputed territory to be their homeland by right.

The annexation of the West Bank in 1967 has created a situation where today, 700,000 Arabs are living in Israel, feeling alienated from the basic cohesion of the state. What is to be done with these Arabs?

There are three options: they can be expelled, they can be subordinated, or they can be integrated. First, expulsion is not a practical

option in today's international political climate, since Western opinion is taking a pro-Arab stance after a prolonged period of Zionist sympathy.

Subordination is a practical option, but one which is not advisable in the long term. And this is where the lesson of Ireland comes in.

In Ireland, the present conflict began when the suppressed Nationalist population finally became frustrated enough to resort to riot to get their point across; and insurrectionist groups with a foothold in the Nationalist ghettos were able to exploit this to their advantage and establish a permanent paramilitary regime.

It is unfortunate that the policies of such state-mongers as Edward Carson and Moshe Dayan could breathe life into the state only at the price of sowing future tension. Such slogans as "No surrender!" and "Not an inch!" may be necessary in a crisis of state identity, but they can hardly be a sound basis on which to build permanent policy.

IF ISRAEL IS to create real permanence within itself as much as with its neighbours, it must learn to com-

promise, and to integrate its Arabs - difficult in a Zionist state, but a necessary challenge.

This is why it was sad to hear of Ephraim Sneh's resignation, for his policy in the West Bank was directed towards integration; and one can only hope that Rabin chooses not to reverse the process.

Further, pure Zionist self-interest dictates an integrationalist stance. Now that the threat of foreign invasion has become more indirect, the real danger is internal dissension. Already Israelis have shown a capacity for divisive disagreement within their own community: there is conflict between religious and secular Jews; between those in favour of the Lavi, and those against. Add to that a 700,000-strong resentful minority, and you have potential trouble.

At the recent opening of the UN General Assembly, Shimon Peres claimed that Arabs in the West Bank "will live in self-respect, exercising self-expression and enjoying freedom and peace."

The blessedly forgiving widow of the recent terrorist victim, Alexander Arad, believes that "for the sake of our children we must fight the extremists on both sides, in order to live together in this country in peace and friendship and without hatred."

Ireland has shown such statements to be mournfully impotent once you are over the brink: a geyser can be capped only before it has blown. Now, therefore, is the time to integrate the two communities. Israel cannot afford to be its own Achilles heel. This is where it can win where Ireland lost.

As the Irish saying goes, "May you be in heaven half an hour before the devil knows you're dead."

The writer, from Belfast, is a law student in London.

READERS' LETTERS

FREEDOM FIGHTERS

To the Editor of The Jerusalem Post: Sir, - Susan Hattis Rofe's shoddy analogy in equating Sarah Aaronson with Palestinians, her Turkish interrogators with Israelis and all Palestinians with Arab terrorists is glaring in its lack of factual sensitivity.

It is possible that the author of "Reckless heroes" (October 9) was not aware of the precise nature of Sarah Aaronson's activities? Did she believe Ms. Aaronson planned bombs in infants' nurseries, massacred vacationing adolescents and threw Molotov cocktails at passing civilian vehicles, blinding and maiming entire families?

Is it possible that the author has done no historical research into the methods of interrogation employed by the Turks during the Ottoman era, so that she compares them to Israelis and implies they, too, were but "decent guys" doing their job?

Is it possible that the author is unaware of the distinction between "Palestinians" and Arab terrorists? It is precisely this kind of journalism which results in misunderstanding and perpetuates the contempt, mistrust and hatred the author deplores in her article.

PROFESSOR LIVIA E. BITTON-JACKSON

Netanya (New York).

Susan Hattis Rofe comments: When I stated that the Sarah Aaronsons of today are Palestinians, I was not expressing an opin-

ion on the means used by the PLO, and certainly not comparing them to those of Nili.

I know my history of Nili and have no illusions about the nature of the PLO. However, a freedom fighter is a freedom fighter, even if his means are mistaken or even evil. Personally, I favour the death sentence for terrorists responsible for killing innocent people - be they men or women. But they are nevertheless people who are doing what they are doing out of a belief that they are serving their people, just as the members of Nili, which irresponsibly jeopardized the welfare of the Jewish community in Palestine, believed they were serving their people.

I certainly hope our interrogators are not as bad as the Turkish ones in 1917, but they are nevertheless interrogators and torture is, unfortunately, not an uncommon means.

Many people have told me that Ida Nudel is a Sarah Aaronson. The difference is that Nudel has a state - Aaronson did not have one, and neither do the Palestinian women we apprehend for membership in the PLO, which, to them, is a freedom-fighting organization and to us a terrorist organization.

To the Editor of The Jerusalem Post: Sir, - I am writing in connection with an article in The Jerusalem Post Magazine of July 17, 'Marketing with Martha', which deals with Soda Kal. There are a number of incorrect claims in this article which I wish to correct.

I invented the "Redshield Pet" carbonator in 1985. In April 1986, I exported the first ones to Israel and these were sold as the Soda Kef by my agent, Ronnie Katz of Katz Aviva Marketing. My South African patent number is 86/0591. My USA patent has been approved and I have patents in process in Canada, Australia and in the United Kingdom.

The Soda Kal therefore not be claimed as the invention of Gedalya Glazer, and he cannot have a patent pending as the Soda Kef had already been sold in Israel the previous year. One cannot patent an article which is already being sold on the market.

My company, N.B. Marketing Corp. C.C. manufactures refillable cylinders for the "Redshield Pet" and a range of flavour syrups.

BERTRAM P. ROTHSCHILD
Johannesburg.

CARBONATORS

Martha Meisels comments:

The manufacturer of Soda Kal is Bahak of Holon. Its manager, Binjamin Waks, insists that Soda Kal does indeed have a patent pending in Israel. He says that Soda Kal is sufficiently different from other products, including the South African Redshield Pet, to deserve a patent of its own.

Bahak manager Waks adds that its Soda Kal device was specifically designed to use the standard refillable cylinders available in Israel (of Sypholux), whereas the South African import was not.

YOUR CAR IN ISRAEL

eldan תדן
RENT-A-CAR

AT YOUR SERVICE

GREAT COMPANY

Hundreds of current cars

LOW PRICES

per week unlimited mileage

SUPER SERVICE

Branches all over the country

BEN-GURION AIRPORT 03-7271027/8

TEL AVIV 03-203398

JERUSALEM 02-699083, 636163

NETANYA 052-618992, 618993

HERZLIYA 052-652892

ASHDOD 051-22724, 22804

HAIFA 04-380638, 388641

ELAT 052-74027, 74040

BEERSHEVA 07-23044, 23045

ASHDOD 05-634177

ATIDIT

Mizrahi Bank - Representative shekel/
dollar rates for forward contracts
Rates fixed on Oct. 27, 1987

Representative Rate Oct. 27, 1987		1.5865
Rates for December Contract December 31, 1987	Purchase	1.65
	Sale	1.662
Rates for March Contract March 31, 1988	Purchase	1.72
	Sale	1.71
Rates for June Contract June 30, 1988	Purchase	1.78
	Sale	1.763

UNITED MIZRAHI BANK

Rent-A-Car

FOR TOURISTS:
FROM \$6 PER DAY

All cars new. Pick up and delivery free.

TAMIR, Rent-A-Car

8 Kikar HaTzahal, Netanya,
Tel. 052-531551 (day)
052-25763 (night)



EGYPT WITH Galilee Tours

DAILY BUS TOURS FROM TEL AVIV
AND JERUSALEM \$40 - RETURN

OUR TOURS TO EGYPT BY BUS:

TOUR 201 4 days/3 nights Tourist Class

hotel with breakfast & one panoramic

air-conditioning tour \$ 79

TOUR 202 4 days/3 nights Tourist Class

hotel with half board and 2 full night-

staying days in Cairo \$ 125

TOUR 203 4 days/3 nights in 5 star

hotel (B/T) and 2 full nightstaying days in

Cairo \$ 180

TOUR 204 5 days/4 nights including

Luxor and Aswan \$ 335

TOUR 205 Class hotel with half board in

Cairo, Luxor and Aswan \$ 400

TOUR 206 with accommodation in

Cairo (B/T) in 5 star hotel \$ 425

SPECIAL OFFER:
BUS TRANSFER TO CAIRO
one way, plus 3 nights accommodation
with breakfast, hotel Lotus (2-nights) \$ 40

VISA THE SAME DAY.
Only in Tel Aviv, subject to Consulate office hours.

TEL AVIV 142 Hayarkon St.,
Tel. 03-5469791
Tel. 03-541331 GILU L.
22 Ben Yehuda St.,
Tel. 03-5469792
Tel. 03-5469793
JERUSALEM 3 Ben Sim St., 34181;
Tel. 02-598655, 598656
Contact: Tel. 02-598655-5
Tel. 02-598656 GILU L.
10 Hayarkon St., P.O. Box 2240
Tel. 02-726000, 726001
Cable: GALUTY-TIEBENS